

## ***Regional Report***

*June 2010*

# Indian Workers in Domestic Textile Production and Middle East-Based Manufacturing, Infrastructure, and Construction



### **HELP WANTED:**

Hiring, Human Trafficking  
And Modern-Day Slavery in  
The Global Economy

*A Verité Research and Advocacy Initiative*

## TABLE OF CONTENTS

Acknowledgments .....	3
About This Initiative.....	4
Executive Summary.....	5
Methodology.....	10
Chapter 1: Vulnerability to Enslavement of Child and Juvenile Workers in the Garment Sector of Tirupur .....	11
Chapter 2: Vulnerability to Enslavement among Children and Adults in Garment Manufacturing in the National Capital Region .....	39
Chapter 3: Vulnerability to Enslavement of Workers Migrating from the Indian State of Kerala to the Gulf Countries of the Middle East.....	58
Appendix: Summary of Key Laws in India on Child Labor, Forced Labor, Labor Brokerage, and Migrant Labor.....	85
Endnotes .....	90

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This initiative is being conducted under the supervision of Dan Viederman, Executive Director; Shawn MacDonald, Project Director; and Erin Klett, Project Manager.

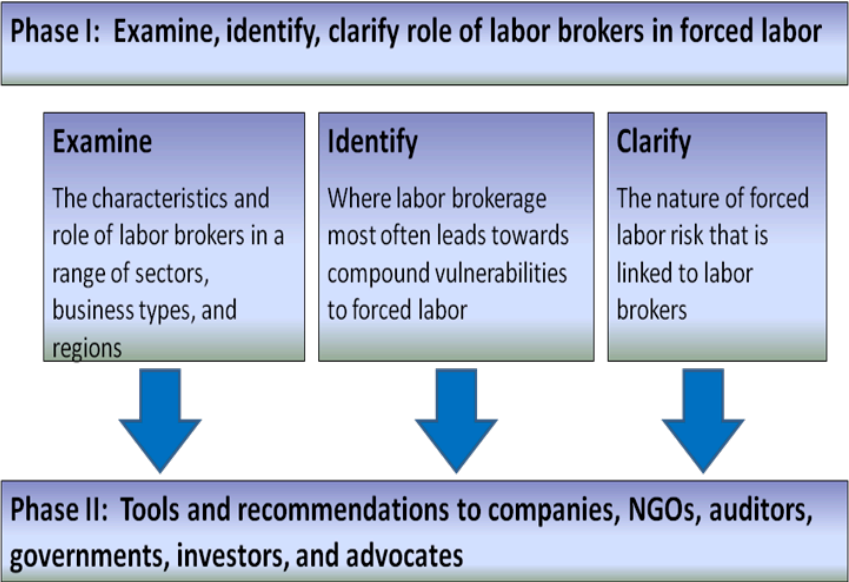
Research in India was spearheaded by Verité’s India-based NGO partner, the Association for Stimulating Know-How (ASK).<sup>1</sup> ASK’s Director, Aqueel Khan, conceptualized the project. Monica Ramesh managed the research, and Jekib Ahmed led the field interviews and reported the results.

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# ABOUT THIS INITIATIVE

This regional research report is a product of Phase I of a multiphase Verité initiative that aims to clarify, publicize, and reduce the risks of exploitation associated with global labor broker practices, as shown below.



In Phase I, in-depth field research conducted over the course of 2009 examined several migration patterns, including:

- Indian workers (often children) migrating into domestic apparel production, and Indian adults migrating to the Middle East for work in manufacturing, infrastructure and construction;
- Philippine, Nepalese and Indonesian workers migrating into IT manufacturing in Taiwan and Malaysia; and
- Thai, Mexican, and Guatemalan workers migrating for work in the U.S. agricultural sector.

These diverse locales and populations were intended to provide a variety of representational settings to explore the range of structures by which migrant contract workers are brought into situations of forced labor, and the specific role that labor brokers play.

Phase II of the project will provide concrete approaches for the private sector, civil society, government institutions, and investors to address key leverage points and reduce the incidence of modern-day slavery. These approaches will include a primer, toolkit and policy brief on the intersections between labor brokerage, human trafficking and forced labor. Sign up on Verité’s webpage to receive updates on project outputs and activities.

## EXECUTIVE SUMMARY

This report describes research on the connections between labor brokers and forced labor among various populations of workers in three regions of India:

- Indian workers (child and juvenile) migrating into domestic apparel production in Tirupur;
- Indian workers (child and adult) migrating into garment production in the National Capital Region (NCR); and
- Indian adult workers migrating to the Middle East for work primarily in manufacturing, infrastructure, and construction.

The multifaceted roles played by brokers in each region; the means by which brokers create vulnerabilities to forced labor; and the underlying social, economic and legal factors that contribute to the continuance of the system were examined in each locale.

### *Brief Description of Research Locales*

**Tirupur.** Garment production in Tirupur, also known as “T-shirt city,” on India’s southernmost tip, accounts for approximately 80 percent of India’s total production of knitwear for export.<sup>2</sup> At the top of the supply chain are a small number of large factories, employing 1,000 workers or more per unit, with smaller enterprises employing between 100-250 workers just below. These businesses contract to a large and complicated network of subcontractors that include small factory- and home-based workers. The movement of product between these units, and often the supervision of workers within units, is overseen by a variety of labor brokers.

The Tirupur garment workforce has traditionally been drawn from nearby regions; but with recent high rates of growth, there has been a shortage of local workers, resulting in the migration and, in some cases, trafficking of workers from further away. Trade unions and local NGOs estimated that approximately 60 percent of workers in the region are contract workers. In contrast to permanent employees, contract workers are employed on a piece-rate basis, daily wage basis, or as apprentices.

Forced labor was identified in the case of girls and young women trafficked under the Sumangali scheme, described below under “Forced Labor”.

**NCR.** The National Capital Region (NCR) is the largest commercial center in North India. The growth of textiles in this region in the past several years has been notable, comprising almost 40 percent of total industrial growth. The NCR garment sector is extremely fragmented, which makes monitoring of the supply chain difficult. Exporters own multiple production units and use numerous subcontractors.

Migrant contract workers are the preferred workforce, with non-permanent workers comprising some 80 percent of all factory employees in the NCR. Generally, these workers come from rural impoverished backgrounds and are first-generation industrial workers. These workers generally do not settle in NCR but migrate back to their home states each year after a production cycle.

Male migrants predominate in garment factories. Homework is also present in the supply chain, particularly for highly labor-intensive and specialized functions, such as embroidery.

Labor exploitation in embroidery – particularly among child workers – is pervasive, with children being trafficked by brokers from other states and being held captive in clear situations of forced labor.

For the purposes of this study, two populations within the NCR garment sectors were identified as being most at risk to forced labor: adult contract workers accepting advances and child laborers working away from their families.

**Kerala—Gulf States.** There are an estimated 3.6 million Indian migrant workers in the six Gulf countries of the Middle East, including 1.4 million in Saudi Arabia; 1.2 million in the United Arab Emirates (UAE); and the remaining in Bahrain, Kuwait, Oman, and Qatar. Indian workers originate largely from southern states of India. The states of Kerala and Tamil Nadu alone account for 43 per cent of the emigration clearances, sending 81,950 and 79,165 workers respectively. The UAE is the major receiving country of migrant workers from Kerala; and its tertiary sector – trade, restaurants, transport, communications, real estate, business, and manual and management services – is the largest employer of migrant workers from India.

All migrants use labor brokers in some form to facilitate travel and arrange for visas.

Because of the high numbers of Indians migrating to Gulf countries from the state of Kerala, Keralite migrants were the focus of this study.

International migration between the state of Kerala and the Gulf countries showed a high incidence of forced labor. Originally, research was focused on workers in construction and infrastructure; however, other industries were found to have similar patterns of forced labor such as workers acting as drivers, cooks, and domestic help for individuals in Gulf countries. By enlarging the job categories within the study, ASK-Verité was able to determine the extent to which the recruitment process, information channels and worker vulnerabilities were similar in other sectors. Since almost half of all workers in the two Kerala districts surveyed worked in the UAE, this report focused on that country's labor laws and labor dynamics, although other Gulf countries are discussed.

## Research Findings

ASK-Verité found forced labor to be present in various incarnations in all three research locales. Links between forced labor and brokerage were similarly varied. In all three areas, forced labor took vastly different forms, involving men and women, children and adults across a number of distinct sectors.

**Tirupur.** In Tirupur, the preconditions for forced labor are pervasive among adolescent girls trafficked into the garment industry in Tirupur under what is known locally as the “Sumangali Scheme,” or *Mankalya Thittam*. Under this system, adolescent girls ranging in age from 14 to 17 years old are recruited from other states, including Kerala and Andhra Pradesh, to work for two- or three-year periods in Tirupur-based textile factories. The labor contract is concluded between a labor broker and the parents of the girl. The parents are paid a deposit up-front by a labor broker, who then transports the girl to Tirupur and assumes responsibility for her labor. The salaries of the girls are withheld during the two- or three-year work period and paid to the parents upon return of the girls to their homes. This money is then used for the girls’ dowries. Charges for food and housing are deducted from the girls’ salaries, who are housed at the worksite and their freedom of movement is severely curtailed. They are not allowed to leave the factory grounds except at prescribed times, during which they are accompanied by a security guard. Vulnerability to sexual abuse is high.

Verité also examined evidence of time-bound forced labor among children, which is linked to the practice of advance-taking from factory owners among their parents.

**NCR.** In the National Capital Region, forced labor is present in the textile industry, most notably among child laborers and juvenile apprentices. Verité’s field research found that labor brokers (who are sometimes textile workers themselves, functioning as labor brokers on the side) are paid by factory owners per head to provide child workers. The parents of the child are provided an advance on the child’s salary and must consent to the child

working for one to two years in the factory. The labor broker oversees the transportation of the child from the village to the NCR. The child must first undergo an “apprenticeship” period during which s/he does not earn a salary. Pay is withheld in entirety until the child fulfills his/her contract of one to two years. Food and lodging expenses are deducted from child’s salary. The children are forced to work long hours in poor working conditions and are subject to verbal, physical, and sometimes sexual abuse. Children are not allowed to leave the worksite and their movement is under constant surveillance.

Verité also found evidence of time-bound forced labor among adult migrant workers employed as contract laborers in the NCR garment sector, linked to the practice of advance-taking. Workers typically take advances in situations where their pay has been delayed or to clear debt from one labor broker before moving work to another contractor. At the end of a migrant contract worker’s tenure at a factory, he can sometimes find that he owes money to the broker or employer. In these cases the employer or broker may forcibly retain the worker to work off the money owed.

**Keralite Workers in the Gulf Countries.** Amongst Keralite migrants bound for work in Gulf countries, forced labor was found to result from vulnerabilities throughout the recruitment, contracting, transportation and employment stages. Of these, brokers contributed directly to inducement of highly leveraged debt, and misuse of contracts and transportation fees; and employers manipulated wages and working conditions.

In exchange for providing work visas and in some cases plane tickets, recruitment agencies charged workers fees of up to USD 4,100 – nine times the average annual income in some workers’ home countries. Workers bound for Gulf countries generally borrowed significant amounts to pay recruitment fees, with even private bank loans incurring an interest rate of 13-20 percent per year. In principle, the visa and transportation costs were shouldered by the employer, but in most cases the worker paid the recruiting agency directly.

Once in the Gulf countries, workers are subjected to routine violations of terms of employment by employers. Leveraging the threat of deportation, employers force workers to accept poor working conditions and contract violations. Freedom of movement is severely restricted, primarily because workers are required to provide their passports to employers to receive a work permit: In the case of the UAE, one hundred percent of Keralite workers surveyed by Verité had their passports withheld. Workers are not permitted to transfer to other employers and those who try to work illegally are often caught and jailed. Various illegal deductions take place; for instance, although the contract usually states that food will be supplied free by the employer, Kerala workers indicated it was not. Further, fifty percent of the workers surveyed by Verité indicated the salary stated in the contract was much higher than what they actually received. Payments are often late and overtime is often underpaid, challenging workers’ ability to pay loans incurred for travel fees.

### ***Conclusion: The Diverse Roles of Brokers and the Many Faces of Forced Labor***

In all three regions under study, high levels of employment informality and lack of legal enforcement mechanisms contributed to both the prevalence and influence of labor brokers and to heightened vulnerability to forced labor. In garment production in Tirupur and NCR, this informality led to a reliance on labor brokers as production facilitators and large-scale employment of contract laborers; while in the migration of Keralites to Gulf countries, brokers were linked with the exploitive practice during the recruitment phase of the employment lifecycle.

In addition to the prevalence of the contracting system, a number of root causes contributed to the occurrence of forced labor for workers across India and migrants to Gulf countries. In domestic cases, multiple vulnerabilities created a “perfect storm” of forced labor. These vulnerabilities included the casualization of labor-increased worker’s willingness to accept any position, regardless of risk; the complexity of local supply chains decreased employer accountability; and challenged governmental monitoring systems. Indeed, forced labor expert Jan Breman has noted that the “emergence of neo-bondage is strongly connected with the reinforcement of the



casualisation and the informalisation of employment.”<sup>3</sup> Multinational corporations and others sourcing from India contributed to the dilemma by pressing for extremely low prices, which were achieved by reducing wages or by retaining child or forced laborers who could not leave their positions. Local histories of debt-bondage in worker’s home communities, rural poverty, and the perceived burden female children were also contributing factors. In Kerala, irregular income from local sources and existing debt, contrasted with the high earning opportunities in the GCC and the potential to achieve non-resident Indian status (NRI) drew workers abroad, matched in the host-receiving country by a demand for cheap and largely disposable labor.

Perhaps the clearest finding of the studies was that, in practice, it is virtually impossible to typify Indian labor brokers as a single unit. In both Tirupur and NCR, brokers were found to function both as job contractors and as labor suppliers; and the two categories were not mutually exclusive. Within either category, brokers operate as labor agencies or informally, as individual workers brokering on the side. They sometimes provide workers to the factory to be supervised by internal staff; sometimes work as supervisors within a factory; sometimes arrange for the production of home-work; and sometimes even work as sex traffickers, tapping into populations of already-trafficked adolescent girls as their targets.

The numerous functions fulfilled by labor brokers means that, often, no clear delineation exists between the roles of workers, brokers, and employers. To cite just a few examples, in both Tirupur and the NCR recruiters were often current or former workers who used their existing connections with factories and home communities to identify potential recruits and facilitate transportation. Frequently recruiters had themselves been victimized by the limits of casual contract work to provide for their families. In both locations, brokers’ roles extended beyond recruitment and transportation – or might not have involved those stages at all – into the supervision of production inside employer factories, where they effectively assumed responsibility for worker management. For brokers, abuse of this power was easy because they so often worked as subcontractors out of unregistered production units, and because bribes and other forms of corruption helped to solidify their control over workers where the law might have provided protection.

In Kerala, the roles of brokers were again different. As a rule, migrant workers from Kerala had to go through a recruiting agency based either in India or the receiving country, with recruitment transactions sometimes occurring at the level of formal agencies and sometimes informally between individuals. Informal actors included agents for registered recruitment agencies; agents in Gulf countries who assist Indians who have arrived on tourist visas to find work; and migrant workers carrying a visa from a Gulf employer back to India for another migrant or for a relative or friend.

The following points summarize ASK-Verité’s conclusions from its India research:

- ***Brokers and international economic trends:*** The ever increasing use of contract labor in India reflects international trends towards the casualization of the workforce. In domestic garment production, the many small production units under study exemplified the use of contract labor at its extreme, driven by the complex supply chains, company demands for impossibly low prices, and laws favoring small, informal production units. The trend towards contract labor was echoed in the Gulf countries, where adult migrants were paid significantly less than host-country natives. Case studies such as the ones featured in this report should be used by stakeholders to advocate for change in international trade and production norms.
- ***The many faces of forced labor:*** In no two populations under study were the manner and means of forced labor alike. Debt bondage was an issue of concern for some forced child laborers in the NCR, but not all. Occasional advances to adults in the NCR led to forced overtime, but not long-term forced labor. Sumangali girls are drawn into forced labor not with advances, but with promises of payments to come. Kerala workers, though in debt, could not technically be considered bonded as they made loans from banks or other lenders, and not brokers or employers; nonetheless, the debt hanging over them was certainly a major “menace” preventing them from escaping forced labor. Working outside their country, language, and culture, indebted, abused and isolated, workers in the Gulf certainly suffered the largest concurrence of vulnerabilities to forced labor. In addressing these individual problems, laws on forced



labor, particularly bonded labor, should distinguish between forced and exploitive labor and mandate strengthened enforcement. Remediation efforts should address not only poverty-alleviation but training in source communities to balance the disparate availability of information between workers and brokers which contributed to forced labor.

- ***The differing roles of brokers:*** In a certain sense, “the” labor broker in India does not exist. Brokers may act as job contractors or labor contractors, including as recruiters, agents, supervisors; these roles are not mutually exclusive and may occur at the national or international level. In addition, within India, workers may act as brokers and brokers may take on the responsibilities of employers, blurring the traditional employer-employee relationship further still. Above all, the heterogeneity of findings points to the need to consider the discrete roles of brokers when designing policy or remediation initiatives. Legal provisions such as the Contract Labor Act should be revised to reflect these many roles, to enlarge existing protections to small-scale work units, and to expand protection for affected workers.
- ***Brokers and gender:*** While signs of discrimination and abuse based on gender varied, they were systematic in all three regions under study. Whether concentrated in home-based or factory work, women in both Tirupur and the NCR worked in the lowest paying positions and were subject to sexual harassment. In the case of the Sumangali scheme, a significant number of girls were trafficked twice: first for labor and then for sex. The effects of gendered expectations should be emphasized both as a means of altering them and because women *and* men felt the effects, such as when dowry debt became family debt, or when the employment of large numbers “Sumangali girls” led to adult unemployment.
- ***Brokers and local culture:*** Cultural factors – such as shared religion between India and the receiving state – as well as socio-economic factors resulted in concrete differences in the role of brokers across states or regions due to differing migration and production patterns. The vast diversity within India points to the need for close synchronization between national and state-level policy making.

## METHODOLOGY

Research in India and the Middle East was conducted by Verité’s India-based partner, the Association for Stimulating Know-How (ASK). Our partnership is referred to herein as “ASK-Verité”. Founded in 1992, the Association for Stimulating Know-How (ASK) is one of the few non-profit organizations in India working extensively in the field of corporate social responsibility. ASK functions as the South Asia Regional Program Office for Verité, undertaking social audits and research on CSR issues and facilitating factory-level remediation and trainings. ASK also supports programs as diverse as finding alternatives for child laborers in the brass industry in India, and working with indigenous communities in rural South Asia.

Research findings were conceptualized and organized according to three main categories: Setting, Employment Lifecycle, and Conclusions (Risks and Root Causes). Researchers explored these topics in rough chronological order, since one naturally leads to the next.

- *Setting* seeks to establish a foundation of knowledge of the sector and workforce under study, as well as the legal and regulatory context for the work. This aspect of the research focused particularly on aspects of the Setting that constitute preconditions for vulnerabilities to forced labor.
- *The Employment Lifecycle* seeks to situate the role of labor brokers vis-a-vis the different stages in the job cycle; mapping how the various stakeholders (brokers, employers, and workers) interact and the circumstances under which a route into forced labor is paved, and exploring the points in the job cycle in which vulnerability peaks and that are well-suited for policy interventions.
- *Conclusions* synthesizes the research on the Setting and Employment Lifecycle and, using the role of labor brokers as a lens and a potential intervention point, articulates some of the root causes of forced labor and the risks of forced labor entailed in various supply chain practices. The ultimate goal is to define the mechanisms and circumstances of labor brokerage that can potentially bind, trap, or enslave a worker.

Researchers began with desk research and expert consultations, to establish background knowledge and approach. Expert consultations continued to be a valuable source of inquiry throughout the project, with researchers conducting consultations as necessary to clarify questions and hypotheses as they arose. Qualitative interviews and case studies with workers, labor brokers, and employers rounded out the research and offered the opportunity for new knowledge and understanding. The three methods of information gathering facilitated the triangulation of research results, lending multiple perspectives and types of information to the study of each research question.

Qualitative research entailed information gathering from workers, labor brokers, and employers using both short, standardized interview instruments and in-depth case studies. Other information gathering methods were identified and defined by research teams as appropriate. Verité employed a flexible research methodology, whereby a basic structure and guidelines were provided to country teams; and this structure was then tailored as necessary to fit the local context.

Researchers employed a “funnel” technique, in which a relatively short, standard questionnaire was used to gather information from a larger number of respondents at the top of the funnel, including workers from each of several demographic groups and/or points in the job cycle. Whenever possible, Verité spoke with workers in each of the three major stages of the employment cycle – pre-departure (job seeking and pre-deployment), on the job, and return; and/or workers from different demographic groups (e.g., from different sending regions). Interviewers used this first, structured interaction with respondents to identify potential subjects for in-depth case study. In-depth case studies – the bottom of the funnel – were then performed with a handful of workers and, when possible, brokers and employers. Case studies aimed to profile particular elements of the relationship between labor brokers, employers and workers; and resulting vulnerabilities to forced labor. The specific numbers of respondents are elaborated in the Tirupur, National Capital Region, and Kerala-Middle East report narratives below.

## Chapter 1: Vulnerability to Enslavement of Child and Juvenile Workers in the Garment Sector of Tirupur

### INTRODUCTION

Tirupur, in the southern Indian state of Tamil Nadu, hosts a 128-year-old textile industry. In India, Tirupur is also known as "T-Shirt City," and knitwear production is the major activity.

Tirupur contains a vast network of factories and subcontractors, with units ranging in size from 1,000 workers to a handful of workers to individual home-based units. The Tirupur garment workforce has traditionally been drawn from nearby regions; but with recent high rates of growth there has been a shortage of local workers, resulting in the migration of workers from further away.

ASK-Verité identified three populations at potential risk for broker-induced forced labor in Tirupur:

- adolescent girls trafficked into the garment industry under what is known locally as the "Sumangali Scheme" – a system whereby the bulk of the girl's salary is paid at the end of a two- or three-year contract and the money is used to pay for her dowry;
- child laborers, who are present at all levels of the garment supply chain in Tirupur, working in various settings, sometimes alongside their parents and sometimes independently; and
- adult migrant laborers hailing from states near and far, including Andhra Pradesh, Uttar Pradesh, Orissa, Bihar, Assam, and West Bengal, as well as from other districts within Tamil Nadu.

Research found clear and unquestionable conditions of forced labor among the girls working under the Sumangali scheme. Brokers are a key element of the system, deceiving girls and their families about job types and pay. Child laborers are not recruited through labor brokers and were not found, in general, to be in situations of forced labor. However, the practice of parents taking an advance from the child's employer is common, and creates a dynamic of temporal debt bondage. Adult migrants are not generally recruited by brokers and are employed freely. One interesting finding with respect to adult migrants is that in some cases, they then become brokers on the side, recruiting adolescent girls from their home regions into the Sumangali scheme.

### METHODOLOGY

Consultations and interviews were conducted with a broad range of stakeholders, including the Tirupur Employers' Association, local NGO's, Trade Unions, and Government officials. Combinations of structured and targeted interviews were held with adult, child and Sumangali workers; the parents of child and Sumangali workers; and the brokers that recruit them. The following is the sample size of various respondents that participated in this study:

- Workers (men, women, and children) – Respondents included were 15 adult migrant workers (both men and women), families of 15 young girls, and 20 children. In three cases, young Sumangali workers were available, as well as two girls who had left their contracts. During the team's visit to a village in Kodaikanal, ASK-Verité located a marriage ceremony in the village and learnt that the family where the function was going on also had girls who had gone to Tirupur to work as Sumangali workers. The broker who took us knew the family so we could interact with them. We identified some girls at the marriage ceremony and later went to their homes for discussions.
- Labor Brokers – The team engaged with a total of five labor brokers and labor suppliers.
- Local NGOs – Three prominent NGOs: Center for Social Education and Development (CSED), Social Awareness and Voluntary Education (SAVE), and Community Awareness Research Education (CARE) were involved in the study.

- Trade Unions – Representatives from three trade unions: the Center of Indian Trade Unions (CITU), the All-India Trade Union Congress (AITUC), and the Hind Mazdoor Sabha (HMS) were interviewed.
- Government – The team interviewed the Director of the District National Child Labor Program district office, Mr. Vijay Kumar.
- The Tirupur Exporters Association (TEA) – A representative from TEA was interviewed.

ASK-Verité worked with local NGOs to identify the geographic areas in and around Tirupur with populations most vulnerable to broker-related forced labor. Specific locales for the study were selected based on the criteria below:

- magnitude of the problem (numbers of child, Sumangali or contract laborers)
- the presence of labor brokers;
- specific vulnerabilities of the workers;
- working conditions in which they are employed; and
- ongoing or past interventions by local bodies and organizations.

The following areas in and around Tirupur were covered under the study. All of these locations are residential areas with a few small factories. Their distance from Tirupur main town is provided in kilometers (km).

- Kongu Main Road - 7 km
- Mosco Nagar – 5 km
- Velayutham palayam -6 km
- AvinasiRailway Gate - 12 km
- Dharapuram Road - 10 km
- Valipalayam - 10 km
- KVR Nagar - 6 km
- Bihar Settlement, New Tirupur - 7 km
- Kallapalayam – 8 km
- Somanur – 15 km
- Avinasi – 10 km
- Sri Lankan Refugees Camp Bhavanisagar - 80 km
- Eruthenpathi - 150 km
- Coimbatore- 40 km

The study team also traveled to the following places to meet with the families of the young girls brought to Tirupur by brokers and labor suppliers. Their distance from Tirupur in kilometers is provided.

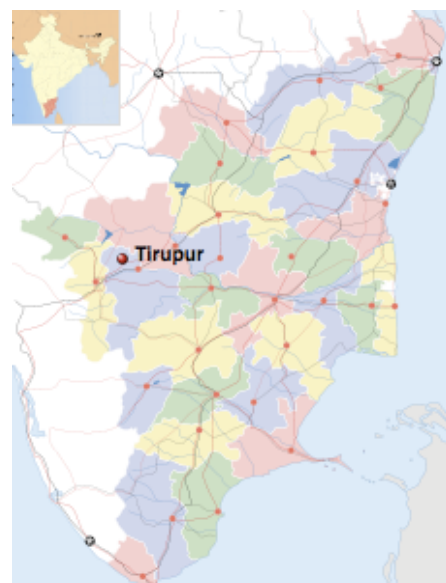
- Theni, Tamil Nadu – 280 km
- Kodaikanal, Tamil Nadu – 240 km
- Ooty, Tamil Nadu - 140 km
- Palakade, Kerala – 80 km
- Koenzampara, Kerala - 70 km

Research findings are described below. Results from interviews and consultations have been aggregated and described in general terms.

## THE SETTING

### *The Sector and its Geography – Tirupur: T-Shirt City*

The state of Tamil Nadu, at India's southernmost tip, is home to a 128-year-old textile and garment industry. Garment production is prevalent in the nearby Coimbatore district, but 50 kilometers south of Coimbatore is Tirupur city, or "T-shirt" city, as it has become known. This region's garment sector accounts for upwards of 90



percent of India's total production of knitwear for export. The process of production for knitted fabrics is comprised of more than a dozen steps resulting in a final stitched garment ready for market, which could be inner wear, hosiery, t-shirts, or virtually any garment made from a stitched fabric. In Tirupur, production facilities in this sector perform all steps of production for almost every incarnation of knitted garment – the process begins with the deseeding of cotton from the field, and ends when boxes are packed for export shipment.



Geographically, the area includes a relatively small permanent population in Tirupur city of around 700,000, but with a sprawling municipal area covering 27 square kilometers, and a district population of many millions. Recent expansion of garment production into the nearby Erode district is the result of the dramatic growth of the Tirupur export market, beginning in the 1980s, and booming in the 1990s after manufacturing changed from inner wear to mainly T-shirt production. Also of note is the region's growing role in the local, domestic market. The rapid emergence of export-based garment production has allowed multi-national brands to market garments in India produced domestically – and most often, these goods are produced in the Tirupur region. Despite this more recent trend, most manufacturers within the cluster of knitwear production facilities in Tirupur are involved in the export market at some level, either producing finished product for the international market, or

undertaking subcontracting tasks for other export facilities.

The industry in Tirupur manufactures over 75 percent of India's national exports of knitwear and generates as much as 4 percent of India's total export trade.<sup>4</sup> For the European Union, garment exports from Tirupur account for nearly 40 percent of the total volume, and contribute more than 60 percent of total value.<sup>5</sup> More than 50 percent of Tirupur's exports are destined for the US market; but the main US export is white underwear, which adds little to the total value of exports to the United States. The Tirupur knitwear industry's exports are directed to customers in the following percentages: 10 percent to department stores, 60 percent to importers, 10 percent to catalogue stores, five percent to retailers, and five percent to established consumer brands. Among major customers of Tirupur's exports are Kitaso, Savanbee, Texman, Marine Prod, Norwigs Clipper, Green Knitwear, Lotto, Arrow, Roytex, Wal-Mart, KDAB, Auchan, Primark, Ether Austin, Clothesline, Ther, Norpo-Tex, Dan-Do, V&D Alians Dominos, Oneil and Wibra.<sup>6</sup> The sector is also characterized by a large population of marketing and sales support agents facilitating export and getting product to the market. In Tirupur, these agents play a prominent role, and specialize in specific geographical market segments, domestic or overseas markets, as well as market segments for a specific product.

### Geography of the Product - A Complex Supply Chain

The textile and apparel supply chain comprises diverse raw material sectors, ginning facilities, spinning and extrusion processes, weaving and knitting factories, stitched and non-stitched final garment manufacturing that supply an extensive distribution channel. This supply chain is perhaps one of the most diverse in terms of the raw materials used; technologies deployed, and assorted products produced. Garment production takes place over the following steps:

1. ginning (the deseeding of cotton);
2. yarn manufacturing/spinning mills (threads manufactured from cotton);
3. knitting process (machines convert thread into garment cloth rolls);
4. dyeing and bleaching (clothes are bleached first as white garments. and then colored using dyes);
5. compacting/calendering (clothes are dried and straightened);
6. cutting (by hand or by machine);
7. stitching (clothes stitched into garments);
8. fabric printing (logos or lettering are printed in a screen printing process);
9. embroidery (embroidery designs are made if required);



10. labeling (brand labels are stitched into the clothes);
11. checking (garments are checked for any faults, such as small holes, scratches, imperfect coloring, or stitching errors);
12. ironing;
13. packing and shipping (all garments are uniformly arranged and each piece is packed in a polythene cover, and then packed into cardboard boxes for final shipping).

The main raw material for the garment industry is cotton yarn of varying thickness, and is supplied to Tirupur by hundreds of sales agents affiliated with spinning mills located in Coimbatore, Salem, Erode and other adjoining cities. Major cotton-producing states in India are Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, and Uttar Pradesh.<sup>7</sup> Several mills and cotton yarn merchant operations have established sales depots at Tirupur to meet the demand for raw material on ex-stock basis. Specialty stores selling accessories, such as buttons, zippers, laces, and sewing thread are also present in Tirupur in large numbers. Dyes and chemicals (manufactured mainly in Gujarat and Maharashtra) are also available through this network of raw materials suppliers.

As documented by the Tirupur Exporters Association (TEA), the composition of the knitwear industry in Tirupur today is broadly classified as:

Knitting and/or stitching units:	4,500
Dyeing and/or bleaching units:	750
Printing units:	300
Embroidery units:	100
Other (compacting, raising, and calendaring):	200

Interviews and research for this study revealed that one of the main explanations for Tirupur's remarkable commercial success over the last two decades is the congregation of hundreds of small manufacturing units in the region – referred to locally as “job work units.” Employing a handful to a few dozen employees, these units perform various individual phases in the production chain, starting with spinning and knitting and moving on to bleaching, dyeing, embroidery, and stitching. Another large group of units is involved in cutting, marking, and trimming (CMT) using knitted fabrics in pieces. The large degree of vertical and horizontal integration results in a highly flexible production system with a multitude of individual units. There are only a limited number of vertically integrated production units that process product from the knitting stage through the processing, printing, stitching, and finishing stages. Export garment production in Tirupur thus does not always utilize the most optimized production techniques, but instead, a complex network of small to medium sized units and subcontractors perform any number of production steps in the supply chain.<sup>8</sup>



The distinction between small and large enterprises is often not defined in the Tirupur context. “Designation of the sector as small scale means that firms which are expanding simply register spatially separate further units of production (despite common ownership), thus giving the somewhat distorted impression of an industry composed solely of small and medium sized individual firms.”<sup>9</sup> There are no manufacturing units where all the processes of producing a garment are carried under one roof. Entrepreneurs have created a web of smaller units all networked among each other to such a degree that each unit supplies another. An exporter might obtain yarn from one unit, have it bleached and dyed at another, printed with a design at a third unit, and finally have the knitted fabric cut, stitched, and finished at a fourth unit – yet all of these diverse process occur within Tirupur.<sup>10</sup> The concentration of available services makes Tirupur more competitive than many other production centers. The peak work period in Tirupur occurs between April and August, with a leaner period of production typically taking place in November and December.

In the Tamil Nadu garments industry, one may also find large firms that have emerged horizontally by splitting off production into many units under a single company, with each unit registered as a small scale manufacturing unit.<sup>11</sup> Large units encounter greater difficulty adjusting to global market shifts, and many individually registered smaller units under the umbrella of a larger firm have the flexibility to meet order that vary drastically in quantity. Labor costs are also reduced since laws affording benefits and labor protection are applied differently (or do not apply at all) to smaller units. Small units with 100- 200 machines are more agile and able to handle both small-batch orders and large orders, and even a small unit can fulfill larger orders by utilizing the hundreds of other units to subcontract out portions of the job to even smaller firms.<sup>12</sup> Thus the many hundreds of work-units make traceability extremely difficult.

*An exporter might obtain yarn from one unit, have it bleached and dyed at another, printed with a design at a third unit, and finally have the knitted fabric cut, stitched, and finished at a fourth unit – yet all of these diverse processes occur within Tirupur.*

According to the local prominent trade unions and NGOs, the Centre of Indian Trade Unions (CITU), Hind Mazdoor Sabha (HMS), and the All India Trade Union Congress (AITUC), as well as the prominent local NGOs the Centre for Social Education and Development (CSED), Social Awareness Voluntary Education (SAVE), and Community Awareness Research Education (CARE), an increasing trend is to employ more contract workers so as to decrease their employer liability. The worker may be a contract worker on paper, but in fact labor directly for the employer. In a research interview an AITUC representative indicated that AITUC noted that in 2003, trade unions and owners signed an agreement against the contract system but the owners do not follow it. With few companies issuing formal notices of appointment to brokers for hiring batches of workers, AITUC has difficulty tracking problems, especially with so many small production units which escape legal liability and compliance pressures.

Tirupur is also not immune to the impact of the global financial downturn, and many small and large units have been unable to survive during recession, as business costs increase and production orders decrease. Tirupur is predicted to see a 25-30 percent decline in business activity in 2009, resulting in thousands of workers from all age groups and stages of garment production losing their jobs.<sup>13</sup>

### **The Workforce**

A substantial number of the sector's workers are recruited from marginalized communities of rural areas and from the urban poor. Children, adolescents, unmarried and married women, and middle-aged men are directly employed.<sup>14</sup> Trade unions and local NGOs estimate that approximately 60 percent of workers are contract workers.

Interviewees report that around 70 percent of the garment workforce in Tirupur is comprised of migrant workers, with the rest being local workers from Coimbatore and Tirupur. Migrant workers are constantly migrating to the textile units in Coimbatore or the garment units in Tirupur, usually from economically disadvantaged cities such as Kanyakumari, Tirunelveli, Virudhunagar, Madurai, Ramanathapuram, and Sivagangai. Twenty-two percent of workers from the ready-made garment industry are educated and thirteen percent are technically qualified or highly skilled in their respective production process.<sup>15</sup> Much of the migrant labor in Tirupur is facilitated by labor brokers.

One study describes migration patterns to Tirupur as follows:

The migrants have come in three waves, attracted by the growth of the industry. The first wave came between the 1950s and 1970s from nearby villages as the agricultural returns decreased. Most migrants were young men from the dominant caste of Gounders; many of them had kin or caste support in Tirupur. The second wave came with the export boom from the late 1970s until the early 1990s. This time migrants



came from other districts in Tamil Nadu as well. Tirupur became known as a place where jobs were easily found, which attracted many young men from poor agricultural districts in the south of Tamil Nadu. They were from different castes. The third and final wave included women as well. These women came to Tirupur because of chain migration; following their husbands or other male family members and young unmarried women from the neighbouring state Kerala.<sup>16</sup>

Knitting (turning yarn into fabric) and stitching (combing pieces of fabric to produce garments) units employ the largest percentage of workers. Representatives of NGOs, trade unions, and the TEA estimated that nearly 70 percent of the sector's workforce is employed exclusively in knitting and stitching jobs. Many of these workers



are “under the radar,” as they are not registered in any of India's national benefits programs (such as the EPF or ESI schemes), employers do not maintain personnel records, or workers are contractually employed on an informal basis for a fixed term. Local NGOs, trade unions, and the worker community noted that the majority of workers are fixed term (often less than 240 days) contract workers, who may have been hired directly by a manufacturing unit and are kept as fixed term contract workers to avoid payment of certain benefits.

Interviewees also note that workers are employed as daily wage laborers, especially in tailoring, cutting, and packing. Reducing wages, in part by hiring a non-union workforce, is also a primary method used by employers to reduce overall production costs.<sup>17</sup>

Despite adult migrants being predominantly male, a recent trend has been the feminization of the workforce. Female workers are strategically recruited as apprentices to avoid issues related to freedom of association and collective bargaining amidst the low wage, adolescent workforce. The increase in the hiring of female workers includes both adults and workers under the age of 18. Interviews for this study revealed that the cultural background and still-restricted role of females in Indian society are factors

limiting their participation in trade unions and labor activism in general. Facility assessments conducted by ASK-Verité for international brands confirm that workforces at garment facilities are increasingly majority female.

Workers at the various levels of production can be categorized as follows:

- ⇒ *Permanent Workers* - These workers are directly employed by a company, appear on payroll documents, and are eligible for various benefits including enrollment in India's Provident Fund and Employees' State Insurance program, and may also receive legally mandated bonuses.
- ⇒ *Contract Workers* - These are workers hired on a contractual basis, normally for one year, although employers vary the length of the contract according to their needs and preferences. It is common for employers to dissolve and renew the contracts after 240 days, as Indian labor law requires that a contract worker can become permanent after that time period. Contract workers are not provided with bonus and gratuity benefits.
- ⇒ *Piece-Rate Contract Workers* - These are contract workers hired at piece rates, and paid according to the number of pieces they make, regardless of hours worked.
- ⇒ *Daily Wage Workers* - Daily workers are temporary, and are only hired for the number of days the labor is needed.
- ⇒ *Apprentices* - As trainees for a specific job, apprentices are paid a fixed stipend, but are not considered “workers” under the law that therefore minimum wage laws do not apply. Apprentices must undergo skills tests and be officially certified in order for their employment status to change.

For this case study, ASK-Verité identified three populations of workers with potential vulnerability to trafficking and/or forced labor:

### Adolescent Girls under the Sumangali Scheme

Adolescent girls recruited into the Sumangali scheme range in age, on average, from 14 to 18 years old. (ASK-Verité found some evidence of girls as young as 12 being trafficked into the scheme.) They come to Tirupur on time-bound contracts, usually three years in duration. They are provided with food and lodging, but are paid the bulk of their salary at the end of the contract term in order to use the money for their dowries. The girls are typically from various districts of Tamil Nadu, the neighboring states of Kerala and Andhra Pradesh, and sometimes from more distant areas, such as Uttar Pradesh, Orissa, and Gujarat. Under the “Sumangali Scheme” or *Mankalya Thittam*, young girls are offered a small monthly payment with a lump sum of approximately INR 30,000-40,000 (USD 645-860) at the end of a three year contract term. They are housed together on company premises or in other locations away from the factory grounds. The lump sum payment serves as a dowry, and constitutes a tremendous sum of money for India’s economically disadvantaged populations. Children at a core group meeting with National Child Rights Commission and other civil-society partners indicated the existence of Sumangali Scheme in both Tirupur and Coimbatore.<sup>18</sup>

The Sumangali scheme shows clear hallmarks of forced labor, such as brokers’ deception about work conditions, withheld pay, compromised freedom of movement, and threats of violence. A 2004 study reported that, “Adolescent, unmarried young girls of 15 to 25 are preferred in the textile and garment industry for their efficiency in work output. Many girls are recruited under the Sumangali Scheme – earning dowry money for the girls’ future marriages.”<sup>19</sup> Sumangali workers are especially vulnerable to labor and human rights violations, such as verbal abuse, discrimination, excessive work hours, dangerous working conditions, and non-payment of wages and benefits. These girls are typically employed as “apprentices”, but the conditions of their employment contravene India’s laws on the subject: Apprentices are supposed to be provided training and then evaluated through skills testing for permanent employment. They are also prohibited from working overtime. Neither of these provisions is observed in the employment of girls under the Sumangali scheme.

A recent study conducted by the Tirupur People’s Forum for Protection of Environment and Labour Rights attempted to survey and quantify the source regions of these migrants to textile mills, and covered the regions and municipalities of Tirunelveli, Virudhunagar, Theni, Sivaganga and Karur. Survey efforts included 1,749 families of girls who have gone to work in spinning mills, spread across 399 villages from 17 Panchayat Unions (and administrative units comprised of 3-5 villages) within five districts. The study revealed that nearly 18 percent of migrant girls were below 15 years of age and 69 percent of them were below 18 years of age.<sup>20</sup> Another study revealed that approximately 32,645 young women workers were employed in 1,702 factories in Tirupur and the nearby town of Avinashi. Of these young women, 8,890 were adolescent girls and young women workers employed under the Sumangali scheme. However, estimates as to the extent of the problem vary widely. According to the Campaign for the Rights of the Unorganized Workers, there are about 37,000 girls and women working under the scheme in 913 cotton mills in Tamil Nadu.<sup>21</sup> Labor organizations have noted the upward trend in mills using the scheme and aired the issue publically at a hearing organized by the Tamil Nadu State Commission for Women on the Sumangali Thittam.<sup>22</sup> A separate study found that girls working under the Sumangali scheme in Tirupur came from within the state of Tamil Nadu, as well as from more remote regions of India, including the districts of Kerala, Andhra Pradesh, Uttar Pradesh, Orissa, and Gujarat.<sup>23</sup>

According to experts interviewed by ASK-Verité, the employment of girls under this scheme is on the rise, while the numbers of child workers in the industry has dropped over the past 15 years. One child advocate noted that the employment of so many adolescent girls under the Sumangali scheme is also having the spin-off effect of forcing up unemployment among adults.

### Children

Ranging in age from eight to 14 years old (above the age of 14, these workers are legally classified as juvenile workers), child workers are employed mainly as helpers, primarily in subcontracting production units. These children are often from families that have migrated to Tirupur seeking work, with some from locally based families. When parents are unable to find work, their children must help support the family by earning what is

considered an attractive wage in the garment industry. The average income of these children lies between INR 15 and INR 30 per day (USD .32-.64), or about half of the daily rate for adult workers performing the same jobs.<sup>24</sup> Few skills are needed in the discreet production processes at the subcontracting units, making the children easy to train.

Labor experts interviewed by ASK-Verité reported that child and juvenile labor is pervasive in Tirupur. Ongoing cases of child labor in Tirupur demonstrate the persistence of this vulnerability. While conducting a factory assessment for an international brand, ASK-Verite found that over 12 percent of the factory’s workforce was comprised of juvenile workers aged 15-18. Primark, the low-cost British clothing retailer, recently dissolved its relationship with three of its Tirupur suppliers after discovering they were subcontracting work to child laborers. Child labor is not limited to Tirupur, and is present across India’s garment supply chain. The NGO *Bachpan Bachao Andolan* (BBA, or Save Childhood Campaign) identified vendors for the Gap, Inc. that were employing child labor in the Delhi area.<sup>25</sup>

**Prominent NGOs Working against Child Labor and the Sumangali Scheme**

***Centre for Social Education and Development (CSED)*** – CSED works extensively on the issue of child labor and the trafficking of young girls in Tirupur, and has conducted studies on the problem of Sumangali girls to assess the magnitude of the child labor and other trends, such as school dropouts.

***Community Awareness Research Education (CARE)*** – CARE has undertaken several interventions for child labor in Tirupur, including a campaign against child labor, establishing child rehabilitation centers for brick kiln workers in Namagal District, assisting other NGOs, conducting academic studies, and pursuing a campaign against the sumangali scheme by lobbying political parties in India.

***Social Awareness Voluntary Education (SAVE)*** – Initiated a multi-stakeholder forum to combat child labor, working closely with the Tirupur People’s Forum (TPF). SAVE also operates transit schools in the area, which are designed to provide young children with schooling options instead of going to work.

***Tirupur People’s Forum (TPF)***- A coalition of NGO’s, activists and academics working for improved labor and environment standards in the region, TPF has proposed a multi-stakeholder child-labor monitoring structure and has called for employers’ associations to take the lead in implementing it to ensure maximum effectiveness.

**Adult Migrant Workers**

From rural areas and the urban poor, these workers tend to migrate to the Tirupur region around the age of 19-20, remaining in the area long-term. These workers hail from states both near and far, including Andhra Pradesh, Uttar Pradesh, Orissa, Bihar, Assam, and West Bengal; as well as from other districts within Tamil Nadu. Although the research team did not find any major red flags indicating vulnerability to forced labor for this category of workers, it was revealed that these workers may later become involved in perpetuating forced and child labor as brokers.

***The Brokers – Roles and Functions***

Brokers in the Tirupur region come in all shapes and sizes. Some are individuals – typically workers – who act as brokers on a part-time, ad hoc basis. Others are actual labor recruiting agencies. These two groups either function

as contractors directly for exporting companies or as subcontractors accepting jobs or arranging for workers for contractors themselves.

In terms of job function, ASK-Verité identified four types of labor brokers operating in the Tirupur garment sector: labor suppliers, job contractors, homework contractors, and sex traffickers. Of these, two – labor suppliers and sex traffickers – were found to play roles akin to trafficking for forced labor. All four broker types are outlined below, with an emphasis on those implicated in situations of forced labor.

### **Labor Suppliers**

Labor suppliers operate as recruiters. Factory managers request particular types and numbers of workers and the recruiters find candidates to fill the positions. In Tirupur, the ASK-Verité team found that labor suppliers function almost exclusively to recruit adolescent girls into the Sumangali scheme.

Operating through largely informal networks, these brokers may in fact be current or former workers themselves, working on a temporary basis to supplement their activities. They are mostly local people with some connection with the factories – many are workers, supervisors, or drivers for the factory. According to interviewees, these suppliers have networks of agents in nearby districts, and also in other states. Labor supplying is a part time job, and most have other factory jobs or operate another, non-factory business. Whenever a factory needs workers, it contacts with these labor suppliers, who arrange for workers through their labor supply networks for large- and medium-sized enterprises. Interviewees reported that a medium-sized factory consists of approximately 100 to 500 workers, while a large factory has 500-2,000 workers. These suppliers have extensive labor supply networks comprised of people across a wide variety of professions and locales with connections to villages and districts with a high availability of potential workers.

Though no figures are available to confirm this, the expansion of recruitment of Sumangali girls into regions as far away as Uttar Pradesh and Bihar to Tirupur parallels the migration patterns of adult male workers, confirming anecdotal accounts that migrants have become recruiters. Knowledge of the system may help them to operate “under the radar”, cooperating with networkers of other brokers, bribing local officials when necessary, and even putting pressure on local families to send their daughters into the system.

Brokers interviewed for the study who specialize in recruiting girls for the Sumangali scheme indicated earning between INR 2,500-3,000 (USD 54-65) per girl. Of this, they reported having to use about INR 1000 (USD 21.50) for bribes of officials. Of the brokers featured in the case study, Shyam reported bribing political and religious leaders and Murugan reported bribing police officials. (See Case Studies.) One broker also reported working with local agents to identify girls; this agent would receive approximately INR 500 (USD 10.80) per girl. Even taking into account INR 1000-worth of bribes, the earnings from each girl recruit would average no less than INR 1500 (USD 32), or more than two days’ wages. Thus even with a van and one monthly trip, a broker has the potential of increasing his earnings by more than 50 percent.

#### ***Case Study: Shyam – A Broker of Sumangali Girls***

Shyam is 30 years old, married with two sons. He is from the village of Pudu in the Theni district of Tamil Nadu, approximately 220 kilometers distance from Tirupur. Shyam supplements his income from the factory by working part-time as a labor broker for the factory in which he works, as well as for other facilities nearby. Shyam is part of a network of 15 other brokers, each connected by their factory jobs and personal relationships as close friends or co-workers. Shyam’s network has supplied garment sector factories in Tirupur with approximately 2,000 Sumangali girls in the past four years. Shyam himself stated that he himself has provided 100 girls in the past year alone for spinning and knitting mills. For each girl he supplies, Shyam is paid INR 2,500 (USD 53.70) by a factory, INR 1,000 (USD 21.50) of which is earmarked to pay bribes to religious and political leaders in the villages from which the girls originate. According to Shyam, the bribes are necessary for his and the girls’ safety, to avoid these religious and political leaders from “causing trouble” for the girls while they are employed at the factories.



### Job Contractors

A second type of labor contractor is engaged by a company to find labor to perform a particular job within a factory. All management responsibilities of the workforce performing this specific task lie with the contractor, although legally the principal employer (the factory) holds ultimate final responsibility for labor rights compliance. These brokers either bring workers to join the company, or the employer assigns workers under them as contract workers. The employer does this to decrease their responsibility for these workers, with the contractors responsible for the specific job with a specific number of workers (either recruited by the contractor or by the employer) to complete the job. If the employer were to utilize regular (permanent) workers, the company would have to oversee all aspects of production and be responsible for the product quality, the timeliness of production, human resource management, and paying worker wages and benefits. With the job contractor functioning within the factory itself, the employer is one step removed from direct, day-to-day management of these workers. Job contractors are linked to the pervasive use of temporary contract labor.

Through this arrangement contractors are responsible for production planning, and assume control over wages, benefits, and general working conditions. The workers' total salaries are given to these contractors, who then disperse salaries to workers. Contractors receive a pre-determined commission on each worker - if the workers are hired by the contractor, s/he takes a commission for each worker hired, which is fixed by the contractor and the employer in an agreement. Apart from this, as the contractor also manages the workers, s/he receives a commission (from the employer) of a certain percentage of the workers' total salaries every month, again fixed by agreement between the contractor and the employer.

### Home-Work Contractors

This category is comprised of contractors who assume work from factories, and then oversee completion of the work in home-based units or households. Tasks completed are mainly embroidery, sequencing (a type of embroidery where bright or bead-like material is affixed to the garments), and *zari* work (the weaving of fine thread made of gold or silver into intricate patterns used in traditional Indian and Pakistani garments), as well as packing and trimming work. Based on information gained in interviews, ASK-Verité calculated that the average monthly income of a woman doing home based work is around INR 300-500 (USD 6.45-10.75).



Home work labor suppliers were found to function as go-betweens or middlemen between households (where the work is being performed) and subcontracting manufacturing units (which place orders for the work with the labor suppliers). This type of broker is not generally involved in trapping workers in forced labor situations.

### Sex Traffickers

This group of brokers is the second to be systematically involved in forced labor. Sex traffickers intersect (and sometimes overlap) with the brokers that recruit or manage girls working under the Sumangali scheme. The ASK-Verité study team interacted with one such trafficker for this project – see the story of Sridhar in the Case Studies Annex. This broker reported that the system of sex trafficking of girls involved in the Sumangali scheme is strong and resilient, with entrenched networks among supervisors, other factory workers, company managers, staff at company housing, and other labor suppliers. The Sumangali scheme lends itself especially well to the sex trade,

with young girls aged 15-20 living and working under the constant supervision of managers and hostel owners, with no freedom of movement and very little ability to communicate freely with family or friends. These girls are systematically threatened and forced into the trade. According to ASK-Verite's sources, sex traffickers charge between INR 2,500-5,000 (USD 54-109) per girl per day (charges are reduced in half for a client to spend a half day with the girl). The sex trafficker interviewed further reported that his earnings from this source were more than his formal employment. The main customers – according to this trafficker – are visitors from buyers, company owners, managers, and supervisors. The suppliers have such extensive contacts and networks that no action, legal or otherwise, is taken against them. Other brokers interviewed who were not involved directly in the trade confirmed that sex trafficking of Sumangali girls is widespread. According to one of the brokers interviewed, local authorities are “paid their bit” to “keep their eyes and ears closed” to this phenomenon.

## THE EMPLOYMENT LIFECYCLE

### *Recruitment, Hiring and Transport: Paths into Entrapment and Forced Labor*

As previously noted, the scope of the research included three main vulnerable categories of workers to study in depth:

1. Adolescent girls working under the Sumangali Scheme;
2. Children below 14 years of age and also juveniles between 15-18 years of age;
3. Adult migrants from various parts of the country.

The individual vulnerabilities of each population are discussed in turn, with girls working under the Sumangali scheme examined first. For this population it is clear that vulnerability to forced labor begins at the beginning of the employment lifecycle, immediately upon recruitment. For migrant adults and children, recruitment was not generally found to be a tipping point for forced labor.

#### **Adolescent Girls Working Under the Sumangali Scheme**

##### **Recruitment**

As noted above, girls recruited into the Sumangali scheme tend to be aged 15-18. They are typically hired by a factory through a labor broker for a three-year contract. The opportunity is pitched to the girl's family by the recruiter as an opportunity for her to earn dowry money. During the recruitment process, both the girl and her family sign a contract agreeing that the girl will work for three years in return for a lump sum payment of INR 30,000-40,000 (USD 645-860) at the end of the contract (in lieu of being paid regular wages). This amount is forfeited if the three-year contract is not completed.

The brokers recruiting girls into the Sumangali scheme work through informal networks which deploy from Tirupur into the surrounding regions and states, as well as to more distant states such as Bihar, Uttar Pradesh, and Gujarat. According to one of the brokers interviewed, the brokers' network continually recruits in new areas in

#### ***Dowries- the Motivation for Joining Sumangali***

Despite the uncertain conditions that Sumangali girls will be working in, there are strong economic and cultural push factors leading their families to accept the arrangement. The scheme hinges on the fact that the girls will be earning their dowries, or *Dehaj*, the payment of cash or goods by the bride's family to the bridegroom's that takes place at the giving away of the bride, or *Kanyadaan*.<sup>1</sup> While outlawed in India since 1961, the giving of dowries continues to be a common practice, particularly in rural India; and the perceived obligation to provide a dowry is an economic stress, causing girls to be seen as a burden. Non-payment or underpayment of the promised dowry can result in abuse or even harsher penalties for the bride, the most extreme being “bride burning” in which kerosene is poured on the wife and then lit. The United States Department of State has reported that between January and September 2008, 392 “dowry deaths” occurred in Andhra Pradesh alone, with 178 in Tamil Nadu, 98 in Karnataka and a total of 8,093 nationally for the year of 2007.<sup>1</sup> Official estimates may be low, as deaths are often reported as accidents or suicides.<sup>1</sup>

order to avoid areas where the parents of previously recruited girls might complain or discourage others from allowing their children to migrate with the brokers. Brokers tend to be former workers themselves, supplementing their income on a part-time basis.

### Information Dissemination and Choosing a Broker

Parents of Sumangali workers who were interviewed by ASK-Verité reported that their daughters had obtained their jobs through brokers who were known to their home village. These brokers come to the village whenever there is a need for workers, staying for a few days and visiting the parents of every young girl they can find.

*According to one of the brokers interviewed, the brokers' network continually recruits in new areas in order to avoid areas where the parents of previously recruited girls might complain or discourage others from allowing their children to migrate with the brokers.*

Brokers also reported to ASK-Verité that they use home-visits with parents as a means of recruitment. Networking with their contacts, including religious and government leaders, brokers obtain names of families with girls of the appropriate ages. These officials may also help to convince these families to enter their daughters into the scheme. Alternatively, brokers may pass through a village knocking on doors and introducing themselves to families, or families themselves may disseminate information by word-of-mouth.

When choosing a broker, information and choices available to families can be limited or nonexistent. It is not clear whether families generally have heard of the Sumanglai scheme before the arrival of the broker or not. Judging from ASK-Verité's interviews, families tend to make the decision based on a cluster of factors, including the opportunity as offered/described by the broker, weighed against need for money and the family's ability to provide for their daughter; and the experiences of other families who have sent girls (when relevant). The girls typically come from extremely poor and underprivileged backgrounds, and the limited income other household

*"It is like a spider's web: once the fly gets stuck, no one can save it other than the supernatural forces." - Murugan, a former labor broker.*

members might earn makes the Sumangali scheme seem quite tempting. Families are swayed by the benefits they see in the scheme, as well as the reality that their own economic situation is unlikely to improve. Based on research findings, families do not have a broad or even any choice between brokers- rather one broker or a network of brokers working together will go to a village to recruit girls.

The asymmetry in information and broker choice available to families is a trigger for vulnerability to forced labor. Much of the information shared with families by labor brokers is often found to be incomplete or false. Interviews indicated that families appear to know very little about the true conditions in which their daughters will work. Brokers do not mention the requirement of regular overtime, including double shifts; the sometimes toxic work environments, for example in bleaching or dyeing; or the lack of freedom of movement, limiting them to the hostel grounds and prohibiting trips home. Benefits, such as transportation, paid medical care, trips out of the hostel during employment, and the promised quality of life for these girls do not materialize.

### Priya- A Girl Deceived into Joining Sumangali

Priya<sup>1</sup> is a 14-year-old 9<sup>th</sup> grade dropout who is from a village called "T.Kammakapatti," which is located in the Theni district (Tamil Nadu) approximately 240 kilometers from Tirupur. She is currently working as a Sumangali worker at a spinning mill in Tirupur. Though Priya remains at the facility, her parents are not happy with the Sumangali scheme, as they feel that they were lied to about various aspects of her working life and conditions. They also stated that Priya is not receiving any of the benefits they had been promised. They confirmed that the girls were forced to work under forced and compulsory conditions and face many restrictions. They also claimed that their family's economic condition had worsened. Instead of Priya helping them with their expenses, they still had to support Priya's expenses; and on her monthly visit, Priya's mother gives her money to sustain herself. Priya's parents stated that they had no option but to wait for another two years to pass in order to receive the end sum of INR 30,000 (USD 645) from the factory.



### Recruitment Fees

No recruitment fee is paid by the family; however, fees received by the brokers offer a strong economic incentive on their part to recruit as many girls as possible through whatever means necessary. (See Brokers.)

### Pre-Departure, Transport and Contracts

The families are made to sign a contract (usually written in English), and the girl is taken to Tirupur without being provided a copy of the contract. Work permits and visas are not necessary. The broker is responsible for the transport of the girls, and as many as 20- 25 girls from an area may travel together with the broker to the worksite. Buses or vans are most frequently used, though workers from Uttar Pradesh or Bihar will take the train. Depending on the location of the village, the girls may travel for several hours to a full day. Bribing of state-border officials is necessary when crossing inter-state lines. There is no direct connection between the conditions of transport and the subsequent conditions of forced labor.

## Child Workers

### Recruitment

*In the hosiery / knitting industry, children are able to earn wages between INR 30 and INR 70 per day (USD .65- 1.50), while in the beedi industry children earn INR 3 (USD .06) per day for 12-14 hours of work.*

Most of the children employed in the Tirupur garment sector come from families that have migrated to the area. Their fathers might work as daily wage earners doing construction, painting, or working as drivers or security guards. Women are able to earn some additional income through home work. Poverty and other social problems, such as alcoholism, are rampant in the slums of Tirupur, and the income of the parents often insufficient, making it highly tempting for a family to send their child to work. At the time of recruitment, little formality is present, no records are

maintained, and no proof of employment is provided to the children. The children and their families are informed that pay will be based on performance, but little to no additional information on conditions of employment is presented. Interviewees also reported that working children sometimes encourage their peers to join them.

The low socio-economic factors of children's families, a high demand for cheap labor, and the relatively high wages in the Tirupur garment sector when compared to other labor intensive industries in Tamil Nadu (such as beedi and match manufacturing), draw children to employment. For example, in the hosiery/knitting industry, children are able to earn wages between INR 30-70 per day (USD .65-1.50), while in the beedi industry children earn INR 3 (USD .06) per day for 12-14 hours of work. Parents with limited financial means are thus motivated to send their children to the hosiery industry. Interviewees indicated that poverty is sometimes exasperated by alcoholism, usually attributed to the father, which drains valuable resources from the family funds. Some families reported to ASK-Verité that because the cost of living is higher than the income one can earn, the whole family must work in order to feed family members even one good meal per day.

Other tipping points for sending children into the workplace are loans that have been obtained by the family to pay for medical expenses, marriages or other traditional functions. Mortgages are also sometimes taken on agricultural land plots, and must be paid on time or else the land is lost to the lender.<sup>26</sup>

Many families described to ASK-Verité researchers that adult members of the household are unable to obtain work in the garment factories, while children are in high demand. Thus it would seem that to some degree, children are being employed instead of their parents.

A final push factor for child labor within the region is the poor quality of primary schools in Tirupur. A study undertaken in 1995 revealed that most of the primary schools in Tirupur lack adequate infrastructure, facilities, and teachers. The survey revealed that in Tirupur Municipality, an area with a high incidence of child labor, the primary school drop-rate was as high as 50 percent.<sup>27</sup> Within a network of ever increasing complexity and interdependency, numerous small manufacturing units which manufacture only a few or a single process only contributes to this problem because the skills required for these jobs can be learned after a short training period. Labor law compliance is largely nonexistent and enforcement is lacking.

Child laborers are employed in almost all production processes in the knitting industry, and are typically paid on a daily wage or a piece-rate basis.

### **Advances**

One red flag for vulnerability in the recruitment process was detected: the practice of advance-taking by children's parents. In two separate focus groups of child workers conducted by ASK-Verite, children mentioned that their families sometimes take advances from the factory, either at the time that children first begin work or sometime over the course of their employment. This opportunity is mentioned to parents at the time that children are hired. Children are then obligated to work off the debt of their parents through their employment. The potential for *de facto* debt bondage is clear in this case; and children in the focus groups acknowledged feeling the stress and pressure of being tied to a workplace because of debt taken on by their family.

### **Adult Migrants**

#### **Recruitment**

No red flags for vulnerability to forced labor were found in the recruitment process for adult migrant workers.

These workers are mostly skilled workers from various parts of the country, and typically are younger men aged 18-30, residing in single rooms in Tirupur away from their families. They obtain their jobs through contacts in their home village or region already employed in Tirupur, or through job contractors hiring directly for the company (no recruitment fee is paid by the potential workers). Adult migrants tend to migrate independently or through informal networks of friends and relatives, finding work on their own.

An interesting finding is that these adult migrants (largely male) in many cases wind up acting as informal brokers in trafficking Sumangali girls from their home regions.

When adult migrants are hired by job contractors, the company where the worker will be employed is actually controlling the entire recruitment process, and they name certain parties as "contractors" and record workers as having been hired under the contractors. This allows the company to keep these workers as contract workers under the law. At the time of hire, job contractors themselves inform potential workers of the salary they will be paid, and workers might have to submit proof of age, photographs, and sign some documents. However, most do not receive appointment letters or any other proof of employment at the time of hire.

Under the second recruitment mechanism for adult migrant workers, migrant workers from nearby states and districts come to Tirupur seeking employment opportunities. Interviewees in this category revealed that obtaining a job is very difficult for an adult, as adult males would command a much higher salary than females, young boys, and especially young girls. Some adult males shared that as a result of this, their own children had to go to work in the garment sector.

### **Information Dissemination, Choosing a Broker and Recruitment Fees**

During the recruitment process no skill testing or training are done, and workers are recruited on the basis of the experience they share. They are placed into work and then if they do not perform in the given task, they are either moved to other work or fired. Although workers in this category tend to be skilled in one more tasks involved in the garment production process, their particular job is not always fixed and they were given little information regarding the actual conditions of work at the time of hire beyond what wages they would receive.

### **Contracts**

At medium or large companies workers must sign many documents, several of which are unclear. Workers explained that most of the documents are written either in English or the local language, Tamil, which many of the migrant workers do not understand. Additionally, the workers said that even if the documents are written in Tamil, they do not get enough time and explanation to understand them before signing. Supervisors explain the general terms and conditions of work on the job. Workers also explained that the job is not fixed; workers can be asked to work wherever required.

## **ON THE JOB: MECHANISMS OF COERCION AND SUBJUGATION/ENSLAVEMENT**

### **Adolescent Girls Working Under the Sumangali Scheme**

While adolescent girls are recruited voluntarily into the Sumangali scheme, their actual working conditions tend to differ considerably from what was described to them by recruiters. Like the adults and child workers described in this research, girls under the Sumangali scheme are required to work significant overtime hours on a regular basis. Unlike the other populations under study for this report, these girls also experience isolation and restrictions on freedom of movement, withholding of the bulk of their salary for the three-year “apprenticeship” period, fear and violence, and vulnerability to being trafficked into the sex industry.

### **Freedom of Movement**

During their three-year “apprenticeship” period, girls working under the Sumangali scheme are housed in hostels, with five to twelve girls to a room, with surveillance around the clock. While in the factory, the girls are permitted to go to the toilet, but they are verbally abused if they spend too much time talking to each other. Outside of the factory, the girls must be supervised at all times and are not permitted to participate in independent activities outside the hostel. Their activities outside the hostel are restricted to their weekly day off, when they are allowed to go to the market and purchase things for themselves. On these trips they are accompanied by guards and/or the hostel warden, often in company’s vehicle. They are not allowed to talk to anyone during the trip or to make calls from the phone booth to their family members or to anyone else. Even communication with their family is limited. The girls are generally not allowed to make trips home to visit family during the three-year period unless special consideration is made by management. Some girls interviewed by ASK-Verité reported having not been permitted to attend funerals of family members. In dire circumstances the girls are allowed to leave for two or three days, for which their salaries are deducted.

The girls and their parents are told not to speak to anyone about their employment because it breaches the contract and the employer would (break the girls’ contract and) withhold her entire payment. The girls can only receive calls in the presence of the warden. They are not allowed any visitors and there are even restrictions on parents visiting their girls. The parents acknowledged that fathers are not allowed within the hostel and have to meet the girls in the visitor’s room in front of the warden. According to them, though the mothers are allowed in the hostel, the girl and her mother are never left unattended – rather they are monitored by a guard or the warden. Some of the mothers who were interviewed reported instances where the girls did not have fans in the hostel. According to one warden interviewed, fans are not permitted as a safety measure to prevent the young workers from committing suicide by using the fan.

### ***Rani, Escaping from the Sumangali Scheme***

As a Sumangali girl, Rani began by working in a spinning mill where she was involved in chemical washing/bleaching. The chemicals splashed her body as she worked. She reported that she was required to work with chemicals and the factory did not provide any protective gear for her hands and body. The condition of her hands deteriorated and burn marks developed on her neck. She stated that the other girls working in the bleaching area also suffered from such burn marks. She also stated that, contrary to her labor broker's claim, the factory did not bear all medical expenses for the girls working in the facility. Medical expenses up to INR 200 (USD 4.33) were paid by the factory, but any expenses in excess of INR 200 (USD 4.33) were deducted from the girls' salaries.

After working at the mill for two years, Rani ran away from the facility, as the situation had become unbearable. Her parents were unhappy with her decision to return home, and scolded her for not completing her three years, as she therefore forfeited the entire lump sum of INR 35,000 (USD 757) rewarded upon the completion of her work contract. Rani's parents have not spoken of her experience in the Sumangali scheme with other parents/villagers, as they are afraid to cause trouble. For the same reason, they have not confronted the labor broker, who reportedly is not currently recruiting in the area, but is still seen in the village.

### **Payment and Deductions**

In theory, work under the Sumangali scheme should be remunerated in two separate ways - an end-of-contract lump-sum payment and a monthly "stipend" payment that most girls accept in order to support their families. In reality, deductions significantly reduce their monthly earnings. The Sumangali workers' earnings are insufficient to send any money home. Instead, parents interviewed by ASK-Verité reported having to bring their daughters money when they come to visit them. Though brokers often promise that room and board are covered by the factory, costs for both are typically deducted from girls' monthly earnings. One of the girls interviewed stated that, of her INR 1430 (USD 30.75) per month earnings, INR 520 (USD 11.20) was deducted for food and lodging, leaving her with net earnings of only INR 910 (USD 19.60). Another interviewee reported earning only INR 500 (USD 10.75) per month after deductions.

### **Gender Discrimination**

Discussions with local NGOs, brokers and the workers indicate that the industry prefers to employ young girls because they are easily threatened and exploited and made to work more for lower wages. The girls working under the Sumangali scheme earn significantly less than adult male workers doing the same category of work. The Sumangali girls are

### **Work in the Tirupur Garment Sector: A Child's-Eye View**

ASK-Verité conducted focus-group discussions with two groups of children at the villages near Avinashi. The children identified vulnerabilities in their lives and classified them into family, social and workplace-related problems.

#### **Family problems**

- Family economic conditions are very poor
- The cost of living is increasing
- Many fathers' drinking habits cause trouble
- Health is affected due to hard work
- No nutritional food
- Education is refused
- Friendship with opposite sex is not encouraged
- Feel the burden of running a family

#### **Social problems**

- Illiteracy amongst the children
- Earning money at small age leads to children getting into bad habits
- Violence against children and women
- Teachers beat children at school which discourages them from attending
- Community and social pressure to work and earn money like other children

#### **Workplace level problems**

- More work, less pay
- No bonuses
- Lack of rest; have to work day and night
- Required to perform non-official work by supervisors, such as purchasing cigarettes, wine etc.
- Compelled to finish lunch in a short time and get back to work

vulnerable to sexual harassment within and outside the factories. As described in Brokers, ASK-Verité also found evidence that girls working under the Sumgangali scheme are at high risk of being trafficked into the sex industry.

### **Child Workers**

Focus groups and case studies revealed that children work in the sector as a result of family and economic pressures, somewhat against their own wills. However, their work is not forced in the sense that they are not forced to stay at the workplace by the employer.

Payment is well below the minimum wage – only around 1800-2000 INR (USD 39-43) per month. Payments are made on a weekly basis. Occasionally the parents will collect their children's payment.

Hours of work are excessive: The normal shift is 12 hours, often extended to 15 and sometimes 18 hours (for example 8 a.m. to 2 a.m. the following morning); with the threat of dismissal if overtime is refused. Children's work functions can change at any time, and, again, dismissal is the penalty for noncooperation. Children are subject to regular verbal and physical abuse.

Children are not provided with access to information about their legal status and rights at the factory. They live primarily with their parents and are not subject to restrictions on their freedom of movement.

### **Adult Migrants**

The adult migrant workers interviewed by ASK-Verité confirmed that they are able to leave their jobs at will, and also to find new jobs with relative ease.

Job contractors receive a commission based on the salaries of the contract workers underneath them. This was initially identified by ASK-Verité as a potential vulnerability, especially since it was also reported by some workers that contractors come around to the hostels and make sure everyone goes to work. However, workers interviewed did not report feeling trapped and were able to leave and find other work.

Freedom of Movement is not significantly restricted for these workers. They are free to use the toilets and talk to workers. No original documents are ever kept by the employers and workers have limited or no access to their personnel records. They are allowed to leave the factory grounds but only with permission from the management, depending upon the workload and the reason for leaving. The permission process takes only a few minutes.

These workers normally live in rented rooms nearby which are sometimes owned by the contractors of the factory. In such cases, the room rent is deducted from the salary itself. When workers buy food it is also deducted from their salary. The workers and their families reported that there are no financial penalties imposed upon them except for cases when they damage company property and materials. The workers said that they have full control over the amount of money they choose to send home.

### **Compulsory Overtime and Other Exploitative Practices**

Local NGOs, TUs and workers all confirmed that the general working shift is 12 hours. The normal working shift is eight hours and the additional four hours the factories require is not treated as overtime (OT). All workers, including children, work from 8 a.m.–8 p.m. or 9 a.m.–9 p.m. Apart from the regular 12-hour shift, two to three hours of additional overtime is regularly required, with entire night shifts being not uncommon. Additionally, workers spoke of being required to do two or three double shifts every month. Double shifts are 24 hours straight with a one-hour break in the morning before the next 12-hour day shift. In the event of double shifts workers get paid at the regular shift rate; time-and-a-half or double rates do not apply. Instead they are given an extra Rs 50



for the night. Workers reported that no one can refuse overtime or they are subjected to verbal abuse and are threatened with firing. There is no consideration in case of ill health or menstrual cycles.

## CONCLUSION

The experience of adolescent girls working under the Sumangali scheme – obligated to work for three years in order to get the bulk of their wages, working 12 to 15 hour shifts and sometimes even 24-hour shifts, exposed to hazardous chemicals and other occupational hazards, and kept largely in isolation to their families and the outside world – is forced labor. Brokers are involved in recruiting girls into the system and they use tactics of deception and obfuscation about job conditions, living conditions and salary in order to secure the willingness of parents to send their girls to work. The system of brokerage is remarkably informal, with brokers oftentimes recruiting girls as a part-time job while working full-time as factory workers themselves. While brokers are certainly culpable in misrepresenting the nature of the job, their role in the enslavement of these girls appears to stop at the factory door. Once girls are delivered to the workplace, the factory management itself plays the more active role in binding the girls to the workplace and keeping them in isolation from family and society.

The Sumangali scheme is well-known in the region, and yet the practice continues unabated. More remarkable is that, even after the true working and living conditions of these girls become known to their parents, families in some cases opt to send their daughters to work for a second three-year Sumangali contract. Poverty, indebtedness, alcoholism, lack of employment opportunities for mature adult workers, and cultural attitudes toward the girl child are all factors that combine to create a situation in which such extreme exploitation of a daughter is viewed as an unavoidable family choice.

Brokerage was not found to be an issue for either child laborers or adult migrant laborers in the Tirupur garment sector. Adult migrants do not appear to be vulnerable to forced labor in general; and children experience temporal debt-bondage when parents take advances from factory management.

## ANNEX: CASE STUDIES

### *Shyam – A Recruiter of Girls into the Sumangali Scheme*

Shyam is 30 years old and married with two sons. He is from the village of Pudu in the Theni district of Tamil Nadu, approximately 220 kilometers distance from Tirupur. He is employed in a garment factory in Tirupur as a helper and is paid by the piece to iron clothes. Shyam supplements his income from the factory by working part-time as a labor broker for the factory in which he works, as well as for other facilities nearby.

Shyam is part of a network of 15 brokers, each connected by their factory jobs and personal relationships as close friends or co-workers. Shyam's network has supplied garment sector factories in Tirupur with approximately 2,000 Sumangali girls in the past four years. Shyam himself stated that he himself has provided 100 girls in the past year alone for spinning and knitting mills. For each girl he supplies, Shyam is paid INR 2,500 (USD 53.70) by a factory, INR 1,000 (USD 21.50) of which is earmarked to pay bribes to religious and political leaders in the villages from which the girls originate. According to Shyam, the bribes are necessary for his and the girls' safety to keep these religious and political leaders from "causing trouble" for the girls while they are employed at the factories. Shyam stated that whenever the factory in which he works is in need for helpers or when he needs extra income, he uses his contacts in remote villages to assist him in obtaining girls for employment.

Shyam reported that he informs the parents of these girl workers on the many benefits of work in the Tirupur garment factories, and that it is often challenging to convince parents to allow their children to leave home for

work. Shyam's main tool for finally convincing parents is to highlight the opportunity for these girls to have a better life – and in many cases, earn dowry money. Another tactic Shyam reported using is to invent stories of his own relatives happily employed in Tirupur. Shyam is fluent in many south Indian languages, such as Tamil, Malayalam, and Kannada, allowing him to recruit girls from a wide swath of southern India.

### **Shyam's viewpoint**

According to Shyam, the Sumangali scheme is good, but only if the factories actually provide all of the benefits that are promised, and that he is not at fault if the conditions of employment he promises to a girl's family are false. His job is only to provide workers, and that given the number of girls he supplies, it is impossible to stay in touch with either the girl herself or her family.

Shyam confirmed that he is aware of the conditions under which these girls are employed, but that it is the responsibility of factory ownership to ensure these girls are employed in humane conditions. Shyam acknowledged that the girls work 12 hour shifts and live without adequate food and lodging in isolated hostels with no visitors permitted. Nonetheless, Shyam feels he is in no way responsible for what happens to the girls after he supplies them to a factory. Shyam further emphasized that he feels he is helping these girls by providing them with a chance for better living conditions.

Shyam also noted that he and other workers are employed under many of the same conditions, and face long shifts with constant verbal harassment and abuse. Whomever wants to earn money must "get used" to these working conditions, and the only difference between him and the Sumangali girls is that he gets paid regularly, whereas as Sumangali girls are paid only once at the end of their (typically three year) contract. Beyond that, all workers in the Tirupur garment sector work under the same conditions, and there is "nothing special" about the way in which these girls are treated. Shyam feels he is doing these girls a service, and that he became involved in labor brokerage to make quick money – and that if he does not supply the girls, somebody else will.

Shyam went on to agree that other brokers in Tirupur have contacts with hostels housing Sumangali girls that sell the girls into prostitution, but that he himself is not involved, and that there is little he can do to stop the sex trafficking. Local authorities are "paid their bit" to "keep their eyes and ears closed" to all that is occurring in Tirupur.

Shyam agreed that he has sympathy for girls brought into the sex trade, but that he feels better about himself for not being involved in bringing girls in for prostitution.

### ***Murugan – A Former Recruiter of Girls into the Sumangali Scheme***

Murugan is a 28-year-old man who works as a driver for various factories. He lives in Tirupur and is married. He worked as a broker for five years from 2000 – 2005. He once worked in a network of 20-25 brokers for an employment firm known as "Top Management Agency" in Kerala, but currently the agency is defunct. He is not currently a formal broker, though he remains informally connected to the broker network and provides them with occasional assistance.

While working for Top Management, Murugan procured workers from various places in Kerala, such as Ernakulum, Kochi, Kozhikode, and Malapuram; as well as from the districts of Theni, Kodaikanal, and Ooty. The network procured girls from Bihar, Uttar Pradesh, and Gujarat. Murugan stated that the brokerage has supplied 3,000 girls to various facilities in Tirupur. These remote areas present work opportunities, but not for the young adolescent girls. According to the brokers, when families hear of the benefits cited by brokers and hear promises of additional employment for their unemployed children, they let the young girls migrate. Also, the brokers' network continually recruits in new areas in order to avoid areas where the parents of previously recruited girls might complain or discourage others from allowing their children to migrate with the brokers.



### *Murugan's Role*

According to Murugan, his primary task for the broker network was to take the brokers to the native villages where young girls worked and help the brokers to convince parents to send their girls to Tirupur for better job opportunities. He defined “brokers” as those who work in a factory and search out additional workers as a part time occupation. He stated that his broker network also had relationships with other local agents who helped them find workers and get information about who would be most interested in working.

Murugan reported that he received approximately INR 2,500 – INR 3,000 (USD 54-65) per girl supplied to the factory, out of which approximately INR 500 (USD 10.80) is paid to the local agents. Also, sometimes the brokers have to bribe the Panchayat (village) heads, as well as the local policemen, and there is sometimes trouble associated with these negotiations. The INR 500 (USD 10.80) is for the agent, to be used at his discretion in order to secure the girls. Murugan stated that these brokers remain in a village for 2-3 days so that they can convince the parents to send their girls. The village heads are bribed to ensure that they do not pose problems for the brokers, and so that in the event that any parents should protest or raise concerns, the village heads can address the issue at the village level to ward off concern. The services of local brokers are undertaken primarily to convince parents to surrender their children.

Brokers such as Murugan convince families to surrender their children by describing apparently lucrative details of their supposed jobs, wages, and living conditions. For instance, he tells a family that their daughter would receive a lump sum of INR 30,000 - 35,000 (USD 645-756) at the end of three years in addition to her monthly pay. He also states that the young girl will stay at a hostel, with both her food and accommodation free of cost, and that the hostel is a fully secured environment with female wardens and female security guards to ensure the safety of the girls. He also assures parents that since they live near the factory, if their daughter ever faces a problem, they would be able to assist her.

When asked how much the potential worker would receive as a monthly income, the brokers tell families that she would receive INR 50-80 (USD 1.08-1.75) per day, and that their child would be independent and would not constitute a burden on the family if they sent her to the textile mills where she would live in better conditions. They also reiterate that the young girl would not only benefit from living in the secure infrastructure of the hostel, but that she would receive good food to eat and have time for recreational activities such as yoga or playing games. Murugan stated that the brokers also emphasize the fact that if the family wants or needs a loan, loans of up to INR 30,000 (USD 645) are available. In fact, field study revealed that no such loans are actually made, and such promises are simply used to further entice the families. Brokers also state that in case of any emergency, the young girl would be allowed to go home. All travel expenses accrued as the girls are transferred to their job are handled by the hiring factory.

According to Murugan, brokers repeatedly emphasize the benefits the girls receive. Also, brokers tell families that they can visit their daughter at any time, as there are no restrictions on parents visiting. Medical benefits provided with employment are also stressed; for example, if their daughter becomes ill, the company bears all her medical expenses and no pay deductions are taken from her salary.

### *Promises vs. Reality*

Murugan affirmed that girls in the power-looms sector receive between INR 50 – INR 60 (USD 1.08-1.20) per day, whereas girls working at the garment factories receive between INR 70– INR 80 (1.51-1.73) per day. He confirmed that although the services were promised to be free, charges for food and lodging are deducted from the workers' salary. The workers are forced to work overtime according to the quantity of orders received. Verbal and physical harassment is common if the workers do not fulfill the requirements of the employer. The workers' rooms are ten meters square, and a minimum of five people live in the rooms. Once they have supplied the girls to the factories, the brokers do not visit the families of these workers, nor do they visit the girls themselves. Murugan confirmed that no visitors are allowed to see the girls, except their mothers. Also, the girls are not allowed to form any relationships with outsiders and tight security restricts their freedom of movement. The girls

are not even allowed to visit their native villages for funerals of close kin. With rare exception, both workers and their families accept these conditions as “normal” for factory life, and they seldom challenge such restrictions, although very rarely some parents do challenge the work contracts and the girls leave the factory.

Murugan stated that although he is not a part of the brokers’ networks where these girls are sold for prostitution, he is aware of networks where girls are convinced to work, or are forced into working, in the sex trade. He noted that even the girls who work only in the factory and are not directly involved in the sex trade very often receive requests for sexual favors from supervisors and male workers.

#### *Murugan’s Viewpoint*

Murugan reported that when he saw the way the girls were ultimately treated, he felt bad, and he stated that as he recollected the recruitment process for the interviewers. After a considerable amount of time away from the job, he sees the issue of their exploitation in a broader sense.

Murugan is now a local tourist cab service partner and a driver. However, he still maintains his contacts with the factories and the brokers, as his cabs are often used by the company managers and the visiting buyers who engage in the prostitution and sex trades. He stated that when he became married, his wife was similarly disgusted by the recruiting profession and advised him to leave it. Although the risks of leaving this profession are numerous, Murugan took his wife’s advice, left the job, and now works only as a driver. He stated that he feels bad about the girls who suffer at the hands of brokers who sell them for prostitution, but feels helpless, as he says that “it is like a spider’s web: once the fly gets stuck, no one can save it other than the supernatural forces.”

### ***Sridhar – A Sex Trafficker of Girls Working under the Sumangali Scheme***

#### *Sridhar’s Background*

Sridhar is a 30-year-old male who works in Tirupur as a broker who supplies girls from the Sumangali Scheme for prostitution and sex trade. He said that this is part time business and he works somewhere else to earn his living. He feared disclosing any personal information as the information he knew of was of very sensitive nature and could lead to a life threatening situation if revealed in the media.

#### *Sridhar’s Role as a Broker*

Sridhar is part of a larger network of brokers who belong to variety of professions like drivers who bring in girls for Sumangali scheme, supervisors where these girls work and hostel wardens in some cases under whose care these girl stay. He deals with girls who belong to two different types of backgrounds: local girls who do not work in a factory and are specifically procured for prostitution; and girls who are specifically brought to Tirupur under the Sumangali scheme to work in the factories, in which they work in factories during the day and are sold as prostitutes during the night.

Sridhar had to pay a sum of INR 100000–150000 (USD 2,173–3,260) to the labor broker to gain access to girls for sex trafficking. He is also expected to pay the girls for their work. The girls receive INR 1000 per day (USD 22) and are expected to satisfy two to three customers in a day. Sridhar charges INR 2500 – 5000 (USD 54–109) per day from the customer, based on the “type” or “quality” of the girl. He sells these girls for full day or half day. According to Sridhar, once the girl is given to the client, the client can do anything with the girl there are no conditions applied. He also affirmed that what happens with the girl once the client takes her is not his concern.

He stated that the girls mostly come from to Andhra Pradesh, Kerala and Tamil Nadu; and sometimes he is able to get girls from Uttar Pradesh as well. There are 500 girls who work under him, from whom his clients can choose. He said that though there are 500 their availability keeps changing. There are more girls available during the night and less during the day, as most working during the day. He said that his maximum revenue comes from the girls working under the Sumangali scheme.

He said that the customers do not contact him directly but contact him through managers of the hotels they stay in or through their drivers or supervisors of the factories where these girls work. His customers are the international buyers, the company owners, the senior management, supervisors and mid-level management.

Sridhar described that girls are brought from the hostels in a hushed and discreet manner and sent back in the same way. The hostel wardens are at times taken into confidence in case the girls face any problem. Though, he also affirmed that the girls can be brought at any time as per the request of the client.

#### *Sridhar's Viewpoint*

When Sridhar was asked for his viewpoint on the system, he smiled and said that he earns his livelihood through the system and thanks the Sumangali system for the successful working of these networks. He said that there was no way this network and this system can be broken into and it is very well secured by the people who are a part of the network. He said that no one would speak about the system and the girls are too scared to speak.

On the whole he said that the system is fairly good for him but he also affirmed that the people involved in the system have well placed contacts. He also said the roots of this system lie deep within and nobody will ever speak about it no matter what.

#### ***Rani – A Girl Who Ran Away from Employment under the Sumangali Scheme after Sustaining Chemical Burns to Her Hands and Arms***

Rani is a 15-year-old 10th grade dropout who lives in a village called, “Kammakapatti”, which is located in the Theni district (Tamil Nadu), approximately 240 kilometers from Tirupur. At the age of approximately 13 years old, she was recruited to work in a spinning mill in Tirupur, from which she ran away after working for two years under the Sumangali scheme. Her parents, Venkat (54 years) and Bani (45 years), are unskilled laborers and she is the family’s only child. The work available in their home village is of a seasonal nature, and only two types of jobs are available: either construction or agricultural labor. Work is available for only 10-15 days per month. Also because the village is situated in the interior of Tamil Nadu, employment opportunities within the village are extremely limited. No industrial development has taken place which would secure additional jobs and villagers are acutely aware of their lack of job security.

Rani’s father receives approximately INR 80-100 (USD 1.72-2.17) per day, and her mother receives INR 50 (USD 1.08) per day. The family’s monthly income is approximately INR 1,500 (USD 32.41). With limited resources for earning additional income, Rani’s parents had been looking into other sources of income.

They decided to employ Rani in the Sumangali scheme, as many girls from their village were working in different areas under the same scheme. Their neighbor’s wife had a brother, Siva, who worked as a broker and helped girls procure employment under the Sumangali scheme. He had previously recruited many girls to work in textile factories under the Sumangali scheme, which is generally known as “Scheme Work” in Kammakapatti. He told them that Rani would receive a lump sum of INR 35,000 (USD 756) at the end of three years, in addition to her monthly pay; that she would stay in a hostel with food and accommodation free of cost; and that she would stay in a fully secured environment with wardens and female security guards to ensure her safety. He also informed her parents that he stays near the factory, and if Rani ever faced a problem, he would be there to assist her. When Rani’s mother asked if they could also work with Rani in the same factory, Siva told her that adults did not have many job opportunities in the factory, and their age would make it difficult to find a job.

When they asked Siva how much Rani would receive as a monthly income, he did not tell them the amount, but, instead, told them that their daughter would be independent and would not constitute a burden if they sent her to the textile mills, and she would live in better conditions than those in which she currently lived. He told her that she would live in a hostel which provided good infrastructure, and that she would get good food to eat and have time for recreational activities such playing games and watching television. Siva continually emphasized the

benefits the girl would receive and would not answer her parent's questions, including what kind of work she would do, and what were the terms and conditions of her employment. Rani's parents felt that because she often stayed alone at home when they left for work and had no one to look after her, and it would be better if she lived in a hostel. There, they believed, at least she would live in a secure environment. Also, the promise of other benefits was agreeable to them because not only would they benefit their daughter, it would also be an advantage to them. Siva told them that they could visit their daughter whenever they wanted, as there were no restrictions on parents visiting. Further, he informed them of the medical benefits which were attached to her employment; for example, if Rani was to become ill, the company would bear all her medical expenses. When Rani and her parents heard about such good working conditions, they were convinced that this was a good place, and that Rani would not get such an opportunity again. They decided to send Rani with Siva to improve her and their standard of living.

### *Workplace Conditions*

In 2008, Rani left with Siva for Tirupur. Before leaving, Siva made Rani's parents sign a contract that was written in English. When Rani's parents asked Siva about the contents of the contract, he told them the contents were the same as he had verbally described to them. Siva also required Rani's parents to sign a paper stating that Rani was of 19 years of age. He convinced her parents sign the paper by saying that girls of a lesser age created problems at the facility where the girls work.

Siva did not charge any recruitment fees from Rani's parents, neither did he take any amount for travel expenses; which were borne by the hiring facility. Rani was taken to the factory with many other girls her age in a closed van that did not stop until reaching the factory's hostel. The hostel where Rani was supposed to stay had up to 15 girls in a dormitory sharing multiple bunk beds.

Rani began by working in a spinning mill where she was involved in chemical washing/bleaching. She worked for 12 hours at a time. She was also required to work overtime on a regular basis for up to 2-3 hours per day. Rani stated that no one was allowed to skip overtime, and if anyone did, they were subjected to verbal abuse and were psychologically threatened with being sent back home without any money. At times, according to Rani, the girls were also required to work double shifts. As for overtime payment, Rani reported that the workers were only paid overtime if they worked an entire extra shift, and were not paid if they worked overtime of only 2-3 hours. Also, Rani stated that there were no considerations taken for ill health or menstrual cycles; workers had to work overtime no matter the circumstances. According to Rani, workers had to work 2-3 double shifts every month. Rani stated that they were paid INR 55 (USD 1.20) per day, of which INR 20 (USD .43) was deducted for food and lodging expenses. Accordingly, Rani's monthly salary was INR 1430 (USD 30.75) of which INR 520 (USD 11.20) was deducted for food and lodging expenses bringing her net pay to INR 910 (USD 19.60).

Rani handled chemicals which released hazardous amounts of heat while she worked with them. The chemicals splashed her body as she worked. She reported that she was required to work with chemicals and the factory did not provide any protective gear to protect her hands and body. The condition of her hands had deteriorated and burn marks developed on her neck. She stated that the other girls working in the bleaching area also suffered from such burn marks. She stated that contrary to Siva's claim, the factory did not bear all medical expenses for the girls working in the facility. Medical expenses up to INR 200 (USD 4.30) were paid by the factory, but any expenses in excess of INR 200 were deducted from the girls' salaries.

After working at the mill for two years, Rani ran away from the facility, as the situation had become unbearable. She stated that her health had begun to deteriorate, as she had to work continuously without breaks or leave on account of ill health. The burns added to her ill health, as they caused itching and pain, often due to improper medical care and facilities. She stated that another reason she ran away was because she was kept under tight restrictions in the hostel with other girls, and she was not allowed to go anywhere unattended. She said that the workers only went from hostel to factory and back again. According to Rani, they were not allowed to go anywhere after finishing their work and leaving the factory for the day. She reported that only on Sundays were the girls allowed to visit the market for personal purchases, and that even on these occasions; they were

accompanied by guards and the warden. She also stated that they were not allowed to talk to anyone during the trip and were not allowed to make calls to their family members or anyone else. She reported that Siva never visited her at the facility to ask about her well-being or to inquire if she wanted to go back home, as he had promised her parents.

Rani further pointed out that she was never allowed to visit her family, nor were other girls given the chance to see their families. Only under dire circumstances were the girls allowed to go home, and only for a maximum of two or three days - for which they always received salary deductions. She reported that the girls and their parents were threatened and told not to “open their mouths in front of anyone,” as doing so equaled a breach of their work contract, and the employer would terminate the worker’s contract and withhold all due monies. She reported that she was not allowed to make any phone calls; she could only receive calls, and those only in the presence of the warden.

Rani’s mother stated that girls were not allowed to receive visitors, and there were even restrictions on parental visits. Her mother reported that fathers were not allowed in the hostel and had to meet the girls in the visitor’s room in front of the warden. According to her, even though the mothers were allowed in the hostel, the girl and her mother were never left unattended. They were accompanied by a guard or the warden, such that the girls could not confide to their mothers any circumstances of their lives.

Rani also reported that the rooms where the girls were kept did not have any fans. When she questioned the warden, the warden explained that the lack of fans was for the girls’ safety. According to the warden, “The girls stay all alone and there are young boys in Tirupur, and if anything goes wrong, the girl might try to hang herself to death, so to avoid that, there are no fans present.” Rani’s mother stated that she was shocked by the explanation given. Her mother also confirmed that the hostel was severely restricted, and the girls were subjected to harassment and abuse in the factory, as well as in the hostel. She also stated that Rani was suffering from a stomach ulcer and a skin disease, a common health issue for girls working in textile mills. Rani also stated that some girls in the village also suffered from tuberculosis.

#### *The Aftermath*

After returning home, Rani remained unemployed for a month, and recently began working at a new facility. She stated that she joined the new facility because of the economic strains faced by her family. She also noted that her parents were unhappy with her decision to return home, and scolded her for not completing her three years, forfeiting the entire lump sum of INR 35,000 rewarded upon the completion of her work contract. She reported that the new facility was better than the older one, as she did not have to work in the bleaching process. Another reason she found the new facility to be better was because this factory was closer to her house, and she did not have to stay in a hostel. The factory also provides them with transportation to and from the factory. Rani is still working under the Sumangali scheme, though according to her, under better conditions. Rani’s parents have not spoken of her experience in the Sumangali scheme with other parents/villagers, as they are afraid to cause trouble. For the same reason, they have not confronted Siva, who reportedly is not currently recruiting in the area, but is still seen in the village.

According to Rani’s neighbors, she was an attractive and intelligent girl who excelled in school, but they believe she is greatly personally diminished and has aged significantly since her involvement in the Sumangali scheme.

### ***Priya – A Girl Currently Employed under the Sumangali Scheme***

#### *Priya’s Background*

Priya<sup>28</sup> is a 14-year-old 9<sup>th</sup> grade dropout who is from a village called “T.Kammakapatti,” which is located in the Theni district (Tamil Nadu) approximately 240 kilometers from Tirupur. She is currently working as a Sumangali worker at a spinning mill in Tirupur. The family consists of her two brothers and their parents. Her brothers are in



the fifth and eighth grades, respectively, and they work in factories or private businesses located nearby. Her parents have very limited employment opportunities in the area, and work as daily wage workers in the construction industry, which is seasonal. Construction work is available only for 10-15 days per month. The father receives approximately INR 100 (USD 2.17) per day, whereas her mother receives INR 50-60 (USD 1.08-1.29) per day. Because they could not meet the family's expenses, Priya's parents were forced to send her to work.

They decided to contact an agent who had relatives in their village for further information. The family had already heard about the Sumangali scheme and its benefits. The agent further motivated them by explaining and emphasizing the benefits to which Priya would be entitled.

They believed that rather than remaining in the village with no future, it was better for Priya to go and work in Tirupur where she would be able to lead a good life and earn money. Also, the lump sum that they would receive upon completion of her work contract would be useful for her marriage. So, they decided to send Priya with the broker.

### *Workplace Conditions*

Priya works as a helper at the spinning mill, according to her parents, though they are not very clear about the operations she is involved with. She works for eight hours at a time, with weekly rotations of the shift, and she is also required to work overtime as needed. According to Priya's mother, she must work as many as 2-3 shifts in a row. She is paid INR 500 (USD 10.80) per month, after deductions for food and lodging. Her salary varies if the company is not receiving enough contracts or is facing a financial loss. According to Priya's father, the workers are never paid more than INR 500 per month.

Priya's father also stated that contrary to the agent's claims, the factory did not bear the medical expenses for the girls at the facility, and instead, the factory pays a minimal amount required for first aid, above which deductions are taken from the girls' salaries.

Priya remains working at the same facility. Her mother visits her once each month and is allowed to meet Priya for two hours in the warden's presence. She stated that her daughter's health has begun to deteriorate, as her job involves extensive working hours of hard work. She also stated that the food provided at the facility is poor and has a negative effect on the girl's health. The mother also acknowledged that Priya is not allowed to leave the hostel with her mother or come home.

The girls are kept in the hostels under extremely restrictive conditions, which, according to Priya's parents, might be for the security of the girls. Priya's mother stated that she has felt on many occasions that Priya wants to speak about something but is afraid to talk to her for some reason. However, other girls who have come back from similar factories report harassment and abuse, which makes Priya's mother fear that her daughter is facing similar problems.

Though Priya remains at the facility, her parents are not positive about the Sumangali scheme, as they feel that they were lied to about various aspects of her working life and conditions. They stated that they feel they were taken advantage of, as their daughter is not paid appropriately for the work she does. Initially, they felt they would benefit from the scheme, but now they have realized the only beneficiaries are the companies who have employed these girls at such minimal wages. They also stated that Priya is not receiving any of the facilities they had been promised. They confirmed that the girls were forced to work under forced and compulsory conditions and face many restrictions. They also claimed that their family's economic condition had worsened, as instead of Priya helping them with their expenses, they still had to support Priya's expenses and on her monthly visit, Priya's mother gives her money to sustain herself. Priya's parents stated that they had no option but to wait for another two years to pass and they receive the end sum of INR 30,000 from the company. Priya's parents do not remove her from the factory to find better work, because the Sumangali scheme is so prevalent that "better" options do

not seem to exist, and the lump sum rewarded upon completion of the work contract combined with the fact that the factory began employing Priya at the young working age of 13 years, has left them relatively indebted to the factory.

Priya's parents allege that the companies do not employ adults or boys, as young girls are easier to manipulate and can be paid less than their adult counterparts. Also, her parents explained that adult women are not preferred, as they are often married and have household responsibilities and lack the flexibility to accommodate fluctuating work hours.

#### *The Aftermath*

Priya is still working at Tirupur despite the difficulties she faces. Her parents are not eager for her to return home; as they need the lump sum payment she will receive upon completion of her work contract. Priya's parents are not happy with the scheme and want it to end as soon as possible so that they get their child back and the money due to them. They sent her to Tirupur because they were in awe of the benefits that they thought their family would receive, but ended up dissatisfied with the system and with a feeling of being deceived.

### ***Shalini – A Girl Rescued from Work under the Sumangali Scheme***

#### *Shalini's Background*

Twenty-year-old Shalini lost her father several years ago, and after her father's death, her mother remarried and began neglecting her. Accompanied by a friend, she came to Tirupur from Vellapara of the Palghat District, Kerala, in search of a job. She immediately got a job with Star Finishers for a daily wage of INR 55 (USD 1.19). However, she faced sexual harassment from her male workers and supervisors, so she left the company and joined another garment factory.

She faced similar harassment at this company and again left her work. Raghavan, a broker, recruited her while she was waiting at the bus stand for a return to Kerala. Raghavan introduced her to Mrs. Jayalakshmi, a leading labor broker, and via Mrs. Jayalakshmi's reference, Shalini began a Sumangali scheme job [INR 20,000 (US 432.15) after three years, and a monthly salary of INR 1,500 (USD 32.41), plus INR 650 (USD 14.03) for food expenses]. The job was in a garment factory located at Kuppichipalayam, Koduvai. She began working at 8:30 a.m. and ended at 7 p.m. After dinner, her residential room was locked from the outside.

#### *Working Conditions and the Aftermath*

She and her fellow women workers working under the Sumangali scheme are allowed one hour per month to purchase essential items and they are accompanied by a female guard. Kaliappan, the male guard, as well as the female guards, used to hit Shalini on the head and verbally abuse her. They did not allow her to visit the hospital when she had continuous bleeding after menstruation. She reported that she used to cry alone in the factory. Shalini stated that one day she jumped over the compound wall and escaped. She was rescued and received support from a trade union, and she is currently undergoing trauma care treatment. She stated that she is ready to legally challenge these companies so that female workers working under the Sumangali scheme can be rescued and the employers can be punished for sexual harassment, verbal and physical abuse, monitoring women workers through cameras (even in bathrooms), and forcing workers to work even if they are not well.<sup>29</sup>

### ***The Family of Sita, Gita, and Raju – Child Workers in the Tirupur Garment Industry***

In 2002, Ramesh (aged 45 years) and his family migrated to Tirupur from Usilampatti Village, a district in Tamil Nadu, and settled at Chellam Nagar. The family consists of five individuals: Ramesh, his wife, two daughters, and a son. The daughters, Gita and Sita, are 16 and 14 years old respectively and Raju, their son, is 12 years old.



Before migrating, the family owned a lorry (truck) and led a happy life in their village. Due to an accident, they lost the lorry and wound up in debt due to medical expenses. To settle their debt and earn income for the family's survival, they moved to Tirupur. Ramesh began working as a driver. His wife tried to get a job in the factories, but the factory work shifts are very long and include heavy work, so such a job was not possible, as she had to care for her husband and children. She decided to stay at home and looked for home work. The family contacted a broker who procured hand embroidery, trimming, and folding work done for home workers. Ramesh's wife subsequently began this work, but it could not be obtained every day. She works only for 10-15 days per month. Ramesh reportedly earns INR 3000 (USD 65) per month, and his wife earns approximately INR 900 (USD 19) per month. This income is insufficient for supporting their family and clearing their debts.

Their economic situation compelled the family to send their children to work in nearby garment factories. Initially, the factory's management would not provide jobs for his children, but Ramesh's constant requests convinced them to provide the children with employment. The children now earn approximately INR 1500 – 2000 (USD 32-43) each per month, depending upon the work completed. When their children began working and earning wages, the family's economic condition gradually improved, and they were able to repay part of their debt. Today, their average monthly income is approximately INR 9000 (USD 194), and they are currently able to repay their debt while meeting family expenses. Regarding their opinion on child labor, the family pointed out that had their children not gone to work, their family would not have been able to survive, and they stated that the children also feel that they are contributing to the family's economic survival. They also stated that while it is true that the children had to drop out of school, they are learning skills in the factory which would later help them earn their livelihood. The parents further stated that they feel that the education that the children would otherwise have received would have been of no use for their livelihood, and it is better that the children obtain working skills.

However, the children report that the working conditions are very difficult and strict. They must work continuously for 12- 15 hours daily, and sometimes the work day extends to 18 hours, from 8 am until 2 am the next morning. They do not receive overtime pay for this work. In cases when nightly overtime is required, they are only paid a night meal allowance of INR 50 (USD 1.08) (food, however, cannot be obtained on site, and the children would need to receive permission to leave the factory to obtain food). According to the children, the supervisors are very strict about meeting production targets. They face significant and prolonged violent verbal abuse in the event that they do not satisfy their supervisors. All work hours are compulsory, and if anyone refuses to work them, they are psychologically threatened with the loss of their job, or their job is immediately terminated. If any of the children's jobs were lost, the family would be in economic crisis, so, afraid of losing their jobs, none of the children complains.

### ***Devi –Alcoholism in the Family as a “Push” Factor for Juvenile Employment***

Seventeen-year-old Devi's father is a construction worker, and her mother works as a helper in a garment factory – earning INR 90 (USD 1.94) per day. Devi works as a contract laborer for the suppliers of a major export-oriented factory in Netaji Apparel Park and earns INR 85 (USD 1.85) per day. She procured her job directly through a worker her mother knew at the factory. However, management did not employ her as a regularized worker recognized on the company payroll, instead employing her using a contractor.

Devi's 14-year-old brother dropped out of school and is not interested in pursuing any schooling in the future. The family sent him to a transit school, but he quit and is planning to find work instead. Her younger brother is studying at the fifth grade in a government school.

The family is originally from Madurai and migrated to Tirupur in search of employment. They stay in a rented house and pay INR 1400 (USD 30.24) for rent (electric and water charges are extra). Devi's father earns INR 2000 – 2500 (USD 43.20-54.00) per month, but he does not provide his family with money, as he is an alcoholic.

Her mother earns INR 1500 – 2000 (USD 32.40-43.20) per month, as she works only a few days a week due to family responsibilities. Especially because they live in a rented house which is more expensive than owning a home, Devi's income is especially insufficient for caring for the family and the upbringing of Devi's brothers. Devi's dire financial situation required her to seek work in a factory nearby. She now earns INR 2500 (USD 54.00) per month and this helps her family to survive. She is not interested in studying, as she does not want her mother to suffer.

Devi stated that although she receives good pay, she puts in a lot of very hard work. She works as a helper in the factory, and has to work 12-15 hours daily. She does not receive overtime payment, and any extra work required is entirely compulsory. Young workers are regularly subjected to verbal abuse perpetrated by managers and supervisors, according to Devi. But, she noted, this is common at any of the factories located in Tirupur. She stated that she has accepted the working conditions and her fate. Overall, she feels very good that she has been able to support her family financially.

### ***Purni – Alcoholism as a “Push” Factor for Child Work***

Purni is 13 years of age and lives with her parents in Bharti Nagar, an economically disadvantaged area near Avinashi. She studied until the sixth grade, when she had to drop out to work. Her father, mother, grandmother, and a sister live at home. Her sister is 12 years of age and also works with Purni. They both work as helpers in the hand-folding area of a knitting factory in the vicinity of their home which employs approximately 100 workers. In addition to Purni and her sister, approximately 20 children work in the factory.

Purni's father is an alcoholic and does not help take care of his family. Although Purni is interested in studying, the dire financial condition of her family compels her to work. The cost of living near their home is high, and to meet their day-to-day expenses, all members of the family seek some employment. Purni's mother completes contracted folding work at home since she finds it very difficult to find a job for herself in the factories where she would have to work a minimum of eight hours a day.

Purni regularly works 13 hours per day, from 8:30 am to 9:30 pm, and earns INR 75 per day (USD 1.61). The wages are distributed weekly, and no records related to their employment are maintained by the factory. The supervisors not only verbally abuse the children, but also send them to buy alcohol for them. Sometimes, supervisors also physically beat and abuse the children. The supervisors reportedly use very harsh language, and call the parents bad names for producing “useless children.” The supervisors reportedly regularly verbally abuse the girls, saying, “Why do you work here? Stay at home, you useless idiots.”

The family lives in a rented house that costs INR 1000 (USD 21.61) per month. Purni's mother stated that it is difficult to maintain the family with a single income; and the family's budget increases every month. Hence, to meet the family expenses and save some amount for the daughters' marriages, the parents sent their children to work. Purni's mother stated that even if parents do not send their children to work, children in nearby houses influence other children to join the factories. The present economic situation in Bharti Nagar is not conducive for both parents and children to survive, and to ensure that family members have even one meal per day, all family members must work. The parents of these families cannot bear all expenses alone, especially if the father of the family is an alcoholic and spends all of his money on himself, as is the case in this family.

## Chapter 2: Vulnerability to Enslavement among Children and Adults in Garment Manufacturing in the National Capital Region

### INTRODUCTION

The National Capital Region (NCR) is the largest commercial center in North India, with the garment sector playing a key role in the economy. The NCR garment sector is extremely fragmented, with multiple tiers of production facilities that vary in size from large factories to home-based units. This makes monitoring of the supply chain challenging. In first-tier factories and subcontracting units, migrant contract workers are the preferred workforce. Generally, these workers come from rural impoverished backgrounds and are first-generation industrial workers. Brokers – known as “contractors” – are integral to the functioning of the supply chain: they serve various roles, including as managers of temporary “contracted” workforces on-site at large, first-tier factories; owner-subcontractors of second- and third-tier production units; recruiters of child bonded laborers; and contractors for networks of home-based embroidery workers.

Due to the pervasive use of migrant workers on temporary contracts as a production tool, and the presence of child bonded laborers in the supply chain, ASK-Verité identified the NCR as a nexus between labor brokers and vulnerability to forced labor.

Despite the prominence of the industry and the extensive recording of exploitive working conditions, the specific link between brokers and forced labor in NCR garment manufacturing has not been comprehensively studied. This is in part because elusive populations such as bonded laborers are notoriously difficult to enumerate or characterize, as are the informal segments of the economy within which contract workers sometimes labor. It is also in part because, despite increasing research recording forced labor



in carpet weaving, construction, and other sectors; bonded labor, the most common form of forced labor in South Asia in general and India in particular, has not been frequently identified in the manufacturing sector. Breman has written that a central flaw in the Bonded Labor Act of 1976 “was the incorrect assumption that restrictions on the freedom of labor were a distinct feature only of agricultural employment.”<sup>30</sup> He goes on to remark that, “the severity of bondage can be very heterogeneous, with a continuum running from relatively ‘mild’ forms to practices which are much more brutal. Mild forms are rather short in duration, wherein workers are relatively free to move and physical violence remains exceptional.”<sup>31</sup> This makes forced labor, when it occurs, difficult to identify definitively – particularly in a supply chain as opaque and dispersed as that of the garment sector in the NCR region of India.

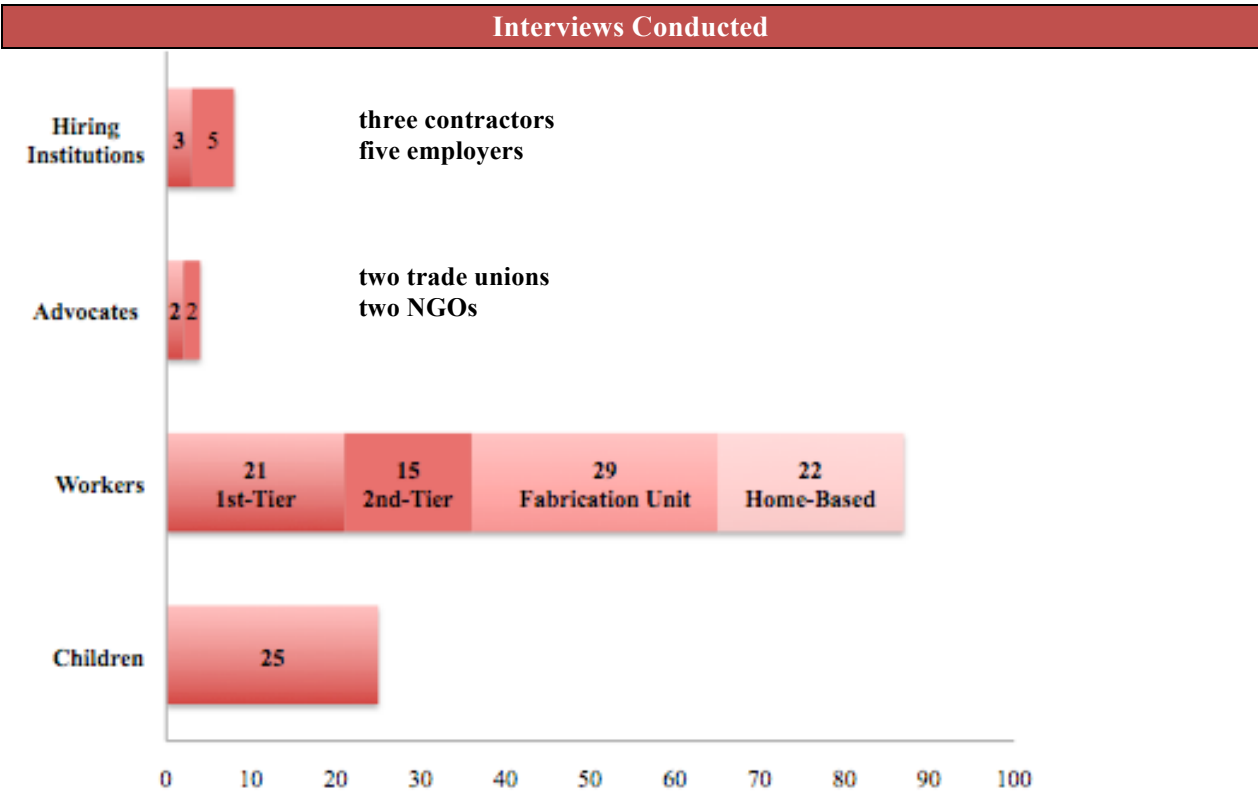
Existing reports on labor conditions in the Indian garment sector acknowledge the contracting system, but tend to distinguish only between contractors and subcontractors, whereas a detailed mapping will reveal a far more complex set of actors. During this research, two populations, adult contract workers and child laborers, were examined by ASK-Verité for vulnerability to forced labor, and two sub-groups were found to be most at risk: adult contract workers accepting advances and child laborers working away from their families. The following report details the ways in which these two select groups differ from other adult contract workers and child laborers and in the system of contracting that allows for their exploitation.

# METHODOLOGY

Due to the high level of exploitive working conditions and presence of labor brokers, ASK-Verité identified 13 areas in the NCR as being particularly susceptible to forced labor. The indicators of vulnerability included the presence of a large number of contractors and a significant incidence of exploitive working conditions. The 13 areas were spread across three regions: Gurgaon, Okhla, and Noida. Interviews were conducted in all three zones across both residential and industrial areas. A short description of each area is as follows:

- Udyog Vihar is a major garments producing hub in Gurgaon. Within a radius of 2 kilometers are the localities of Dundahera, Kapashera, and Harinagar, all areas where workers reside in shared rooms owned by local people.
- Sangam Vihar, Tughlakabad, Okhla Phase – II, Govindpuri, and Batla House are all areas surrounding the Okhla garments hub in South Delhi. All are residential areas with many fabrication and home-based units.
- ITO, Central Delhi, is a commercial area.
- Malviya Nagar, South Delhi, is a residential area.
- Sunder Nagri in West Delhi is a residential location with a concentration of hand work home-units.
- Noida Sector – 57, is a rural area concentrated with worker residences surrounding industrial hubs.

Researchers conducted a series of targeted interviews with children and adults, as well as consultative interviews with employers, brokers, trade union officials, and NGO representatives with experience in local labor rights issues. During the research, it was determined that the original research categories as identified in the mid-term report to Humanity United were not sufficient to encompass the variety of work relationships existing in the region. In order to allow for this, the research categories were redefined to include first-tier workers, second-tier workers, fabrication unit workers, and home-based workers. A sample of each of these populations was interviewed for the final report. Worker populations were identified based on existing area contacts, and both workers and employers assisted in identifying brokers. The following is a breakdown of the all interview subjects contacted:



A total of 124 interviews were conducted: 25 with children, 87 with workers (21 first-tier, 15 second-tier, 29 fabrication unit, and 22 home-based), four with worker advocates (two trade union and two NGO), three with contractors, and five with employers.

Worker interviews utilized a semi-structured interview technique, in which the interviewer considers major themes but adopts focused questions according to how the conversation evolves. For employers, brokers, and worker advocates, a more formal structured interview method was used, ensuring that the responses could be reliably compared and aggregated.

The children who participated in the study had previously been rescued from abusive situations by the NGO *Bachpan Bachao Andolan* (BBA). BBA, along with the Center for Education and Communication (CEC), participated in the interviews. The former is a coalition of three principle NGOs – the Association of Voluntary Action, the Bal Ashram Truth, and Save the Childhood – which works to identify and rescue trafficked children and to run child labor prevention programs. The latter is a research and advocacy organization. The trade unions which participated were Hind Mazdoor Sabha (HMS), which has a membership of over 4.3 million and affiliation with over 2,300 unions through India; and the Center of Indian Trade Unions (CITU), with a membership of 3.4 million and affiliation with 4,000 unions.

Research findings are described below. Results from interviews have been aggregated and described in general terms.

## THE SETTING

Though perhaps not as well-known as other production centers, the NCR<sup>32</sup> is a powerhouse in Indian garment manufacturing. The NCR emerged following Indian independence, with a concentration on providing uniforms and other goods for the Armed Forces. The Okhla Industrial Area of Delhi was the first to be established, followed by Gobind Puri, Kalkaji, and Tughlakabad Extension.<sup>33</sup> Currently, production takes place primarily in the Delhi outskirts of Noida [short for the “Naveen (Hindi for ‘new’) Okhla Industrial Development Authority”], Gurgaon, and Faridabad.<sup>34</sup> Even before the growth in garment manufacturing throughout India in the 1970s, Delhi had begun to export extensive amounts of “hippie” prints in the Rajasthan style,<sup>35</sup> and is now known as the center of ladies’ wear production. Garment manufacturing in and around Delhi accounts for approximately 25 percent of total local employment - more than twice the national average - and some 35-40 percent of sector exports.<sup>36</sup> Though Tirupur and other garment centers export a larger number of garments; as NCR specializes in the more costly ladies’ wear, its products account for higher export earnings<sup>37</sup> in a sector that is India’s largest source of foreign exchange earnings.<sup>38</sup>



Labor brokers are an integral and omnipresent force within the local industry. Even within the relatively condensed area of the NCR, the manufacturing process is highly irregular, informal, and fragmented, incorporating up to four different types of production units and more than seven broad categories of contract workers. What links the units is a chain of labor brokers, known locally as *tekhadars* and most commonly referred to in literature on the subject as contractors. Contractors may be companies owning first, second- or third-tier operations, or individuals who work at and/or between these operations. They play at least two types of roles: first, to arrange for the production of garments between units; and second, to manage the disparate workforce which carries out the production in each of the units. It is in the second role that they act as “labor brokers.” The



exporter company for which the contracts are carried out “makes payment to the contractor on the basis of the interest with the final product or service and generally does not concern itself with the number of contract workers engaged by the contractor for the job or how the job was done or by whom.”<sup>39</sup>

The use of “contract workers” in the NCR garment supply chain is pervasive. Contract workers are workers employed by a contractor, as opposed to a primary employer. They can be found employed on the grounds of a first-tier factory, working alongside permanent workers, but under separate management; or in second- or third-tier factories. In practice, these workers make up a significant – if not majority – portion of the garment-sector workforce in the NCR region, engaging in tasks that run the gamut from unskilled to skilled and temporary to permanent.

The use of contracted and casual workers throughout the NCR garment supply chain reflects larger national and international trends. First, while the Delhi area has long been known as a center of tailoring, it was only with the global shift towards production in regions with cheap labor costs that high value processes were initiated on a large scale in India.<sup>40</sup> Since then, “the rate of employment in the formal sector has steadily come down and, on the other hand, there has been a simultaneous increase in employment in the unorganized sector.”<sup>41</sup> Indian manufacturing in all sectors has relied on increasing numbers of contract workers since the 1990s. An empirical study published by the Institute for the Study of Labor confirmed that employers base their workforces on contract labor due to the flexibility it allows them before swaying market demand and the cost savings in wages and benefits.<sup>42</sup> The use of contract workers has expanded even as the garment sector itself has become somewhat more formal. Mezzadri has noted that the increase in export-oriented garment manufacturing in the NCR has led to a gradual centralization in the production process and a larger average unit size, but non-permanent workers continue to make up some 80 percent of all factory employees, a phenomenon sometimes referred to as “in-contracting.”<sup>43</sup>

Trade unions and other worker advocates have expressed fierce opposition to the law on contract labor, the *Contract Labor (Regulation and Abolition) Act of 1970*. Unionists claim that contract labor is encouraged by the Act, that the prevalence of contract labor undermines the establishment of permanent employment, and that contract laborers are disadvantaged by the poor provisions made for their social security and other rights.<sup>44</sup> Trade unionists and other worker advocates particularly object to the incorporation of high levels of contract labor into core production processes. This view is countered by employers’ associations, which argue that a flexible workforce is needed to compete internationally, and restricting the use of contract workers would simply lead to increased mechanization, and not increase employment.<sup>45</sup>

There is no question that contract workers are more vulnerable to abuse; and, from the standpoint of the employer, are cheaper: using data collected in Indian industrial areas within Uttar Pradesh, Haryana, and Delhi, one study concluded that a contract worker with a basic education earns 38 percent less than his or her permanent counterpart, and that a migrant workers earns 20 percent less than a non-migrant worker. Contractualization was also found to lead to lower levels of job security, more frequent movement between jobs, and to restricted vertical mobility.<sup>46</sup> Turnover is also high among these employees, with the average contract time lasting approximately eight months.<sup>47</sup> The deep and growing use of contract labor in many sectors of the Indian economy is beginning to have implications for social stability: in October 2008, massive strikes of 80,000 workers in the Gurgaon-Manesar industrial belt were held in protest of the proliferation of the contracting system. Regarding the strikes, a local professor was quoted as saying, “Labor discontent has been noticed not just in the formal or organized sectors but also in informal sector industries.”<sup>48</sup>

For the purposes of this research, ASK-Verité was interested to explore tipping points for forced labor vis-à-vis the contract labor phenomenon. As a well-known expert on Indian labor relations, Jan Breman, has observed, the “emergence of neo-bondage is strongly connected with the reinforcement of the casualisation and the informalisation of employment.”<sup>49</sup>

### The Sector

The NCR garment supply chain is vastly complex, unpredictable, and difficult to capture with informal relationships predominating. This system has developed, in part, in response to globalization and increasing requirements by multinational brands for flexibility and quick turnaround. In such an environment, the conditions of the individual worker are often lost, and the opportunity for various forms of abuse – including forced labor – is high. ASK-Verité interviews indicated that forced labor situations, which will be described in more detail in subsequent sections, tend to occur in fabrication units where adult contract workers have accepted advances and in factories and fabrication units where bonded child laborers are working.

While garments for export are one of the principle products of the NCR, production is far from cohesive. Cloth production such as ginning, yarn spinning, knitting, dyeing and compacting and calendering (drying and straightening) of clothing is generally carried out in South India. Companies in the capital enter the supply chain when they purchase the cloth from South India and begin to cut and sew it into complete garments. Within the NCR alone, the supply chain for the average blouse is spread across up to four different types of production units: first and second-tier factories, fabrication units, and individual workers' private homes. Each of the units takes place in diverse locations across the NCR, houses a different stage in the process, and involves a unique contract type with the workers involved. There are approximately 600 registered exporters in the NCR, with 3,000-4,000 production units, employing over 100,000 workers according to official estimates, and twice that according to unofficial estimates.<sup>50</sup> At the decorative work stage the garment may even exit and reenter the NCR, bringing an entirely different population into the process.

No two orders follow the same progression, but the following represents a typical route.

- The exporter receives an order, often from a multinational corporation sourcing from many countries. Fabric, which has often been spun, woven, and dyed in south India, arrives to the factory where the core production processes, the cutting and tailoring of the base piece, take place. One large order is often divided between several factories which may or may not be owned by the exporting company which sells the final good abroad. These can be divided into **first- and second-tier factories**. The first are owned and managed by the exporter and staffed by a mixture of permanent employees and contract workers while the second tiers receive subcontracted orders and are staffed primarily by contract workers.
- Alternatively, some work may take place at small **fabrication units**; informal production units of 20 workers or less. Fabrication units cover a wide variety of tasks, either undertaking the same cutting and tailoring as the first- and second-tier factories or more specific tasks such as stone washing for jeans. They can be located anywhere from alongside a factory to in the basement of a home, and fabrication units are nearly always unregistered.
- At this point the main structure of the garment is complete, but the production process is far from over, and becomes specialized depending on the nature of the garment. The decorative elements that characterize ladies' wear and make the NCR the most profitable garment manufacturing center in India are added next. Embroidery and other forms of decoration, which may account for up to 50 percent of the cost of any given garment,<sup>51</sup> are divided into several distinct styles: **adda** work, intricate sewing performed on a loom; **zardozi** work, gold or silver metallic threadwork; and **moti** work, or beading. *Adda* work is primarily conducted 700 miles outside of Delhi, in the homes of workers part of the supply chain where child work is most concentrated. *Moti* work is generally completed by home workers,



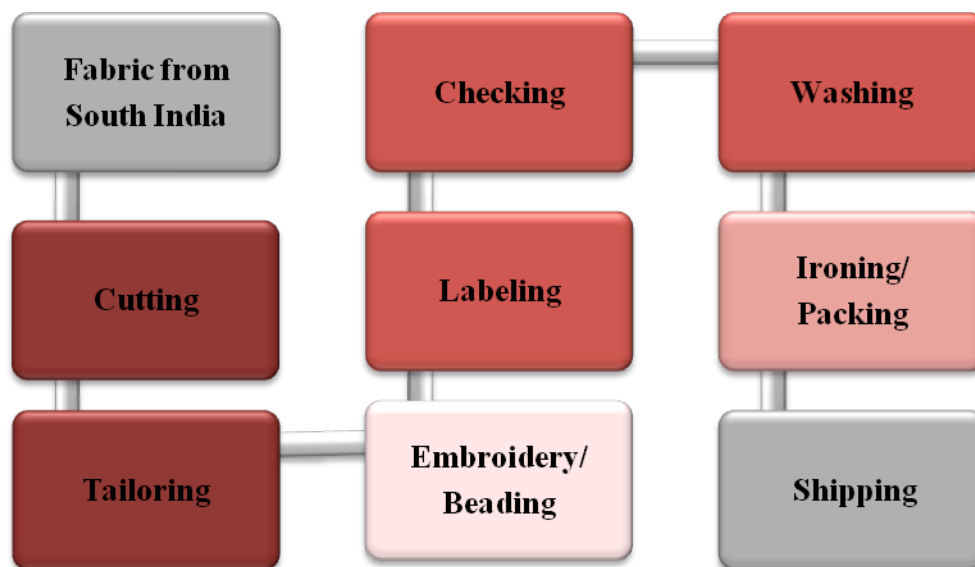
overwhelmingly women and their children; and of all stages in the garment production, it is the least profitable.<sup>52</sup> *Zardozi*, also known as *zari* work, is the only of the three which is sometimes sewn in small factory settings. Depending on the type and size of the order, this stage will either be conducted in the NCR itself or sent outside the region. Particularly for *adda* work, larger orders that are not being rushed are shipped to villages in Uttar Pradesh, often centering around the village of Bareilly, where there is a history of expertise in embroidery and where labor costs are cheaper than the city.<sup>53</sup> However, if it is a small or a rushed order it is further split among dozens of informal, unregistered **home-based units** within the NCR. Occasionally, small units in the NCR will use computerized embroidery machines,<sup>54</sup> or use machines for work such as label attachment, but all delicate embroidery is completed by hand.

- From the homes or lower-tier work units, the garments are gathered again into larger batches. Finally, the pieces are washed, checked for errors, ironed, and packed for export. These last stages may take place at first- or second-tier factories, specialized fabrication units, or a combination of all three.

### Garment Manufacturing in the North Capital Region

*The flow chart demonstrates a highly simplified sample of the multiple stages that any one garment may pass through in the NCR. Each of the color boxes represents a different type of production unit. In reality, the order in which production units become involved in may change and every stage can be subdivided between different types of production units and multiple sites.*

Key
First-tier
Second-tier
Fabrication Unit
Home-Based



### The Workforce

#### Categories and Functions

The process above details one element of contracting: the contracting and subcontracting of the garment order between production units. However, there is another parallel process which takes place alongside it, namely, the contracting and subcontracting of workers themselves within production units. (For a complete breakdown, see the chart below.) Each of the production units establishes a different type of relationship with its workers. At first-tier factories, some workers may be permanent employees who work directly for the manufacturing company, but many are contract workers who labor alongside them and are assigned the same tasks. A contract worker is

anyone who is engaged to fulfill a production role by a contracting company rather than by the manufacturing company.<sup>55</sup>

Within the system a number of different types of contract workers can be identified. **First-tier contract workers**, logically, work at first-tier factories, generally alongside permanent employees. However, unlike permanent employees, contract workers do not report to factory management but to a contractor who handles their assignments and controls their payments. Though first-tier contract workers are entitled to the same wages and benefits as permanent employers,<sup>56</sup> in practice this rarely occurs. Sometimes a company will recruit workers directly but then refer them to on-site contractors for assignment; or hire workers directly and then later re-categorize them as contract workers on payrolls and other official records. First-tier contract workers report to work by shift and are paid an hourly salary. **Second-tier contract workers** have the same relationship with the contractors, but unlike at first-tier factories the production unit is *owned* by the contractor, and the entire factory force consists of contract workers. These are the first layer of “subcontracted” workers within the system. The vast majority of all workers within these categories in the NCR garment supply chain are male migrants.

In contrast, **fabrication-unit workers** are stationed off the main company site, on smaller fabrication-unit properties owned by contractors. While their tasks may sometimes overlap with those of first or second-tier workers, fabrication-unit workers are paid by piece rate and not wages. Accordingly, they make their own hours, receiving their total payment on a weekly basis.

Among the factory- and fabrication unit–based workers are **helpers**, who carry out unskilled jobs such as collecting raw material, assisting the tailors, and running errands; and **casual workers**, who are retained under short-term contracts, generally for a single day, in order to undertake jobs such as loading and unloading orders for shipments. In addition, there are **apprentice** workers who begin as workers’ assistants and gradually ascend in job classification and payment. The latter may be child or juvenile workers. Child labor, including bonded child labor, tends to be concentrated in the fabrication units, which as informal entities escape monitoring. While girls may assist their mothers at home, children in fabrication units in the NCR garment supply chain are usually male, more likely to be separated from their families, and thus much more likely to experience severe working conditions. (*See Child Labor.*)

**Home-based workers** in the NCR are also paid piece rates; however, unlike other workers, they are not guaranteed payment upon completion of their work but must wait until the contractor himself is paid. In addition, their payment is dependent on the quality of their work, and they can be refused payment and have the garment confiscated should the embroidery be in any way flawed. These workers are generally females who balance piece-work with home and child care. ASK-Verité research found that the majority of home-based workers are not seasonal migrant workers but either long-term or permanent residents of the NCR. Interviews further revealed that these women are often assisted by their daughters, who work part-time following school. The majority of home-based work is conducted outside the NCR, but research into these regions was beyond the scope of this research. Ironically, though embroidery and beading is what allows exporters to charge comparatively high rates for their garments, the people carrying out this portion of the labor are the least well-remunerated and the least well-protected in terms of wages and other rights. While it is difficult to quantify them due to the informality of the work, “exporters report that they need three embroiderers for each tailor employed in their factories”<sup>57</sup>

Contract and Piece-Rate Workers in NCR Garment Manufacturing				
	First-tier Factory	Second-tier Factory	Fabrication Unit	Home-Based
<b>Work Location</b>	company factory	large contractor-owned facility	small contractor-owned facility	family homes
<b>Level of Formality</b>	generally formal; contractors must be registered	some factories registered	units not registered	not registered



<b>Work Type</b>	cutting, tailoring. some stone washing, checking, labeling, and packing	cutting, tailoring. some stone washing, checking, labeling, and packing	varies widely - cutting, tailoring, <i>zardozi</i> , stone washing, and packing	<i>adda</i> work, <i>moti</i> work, <i>zardozi</i> work
<b>Payment Method</b>	wages - remitted every month, less illegal withholdings	wages - remitted every month, less illegal withholdings	primarily piece rate; some wages	piece rate; remitted after broker is paid
<b>Worker Gender</b>	largely male	largely male	largely male	female
<b>Indicators Of Forced Labor</b>	ID cards confiscated for short periods, some threats of violence, some advances	ID cards confiscated for short periods, some threats of violence, some advances	workers receive advances from brokers leading to occasional debt bondage / bonded child labor	workers receive advances from brokers
<b>Child Labor</b>	apprentices	apprentices	bonded child labor aged 8-14 on average	family-based child work

All workers are affected by the seasonal nature of the garment industry. Work peaks during winter between September and March, with the exception of the accessories industry, which runs consistently year around. Because of this ebb and flow, companies are hesitant to hire a large number of permanent workers, instead relying on contract workers during the peak season and decreasing hiring during the off season. Often, workers will travel on a seasonal basis to the capital, and return to their home communities during the offseason, particularly during the festivals of Holi, Durga Puja, Eid, and Muharram. Male workers also return home to marry. One worker may participate in multiple types of contract work, moving from a fabrication unit to a second-tier factory, for example, if better work conditions or wages are offered.

The fragmented nature of the supply chain means that there is little transparency in the production process. At the top of the pyramid, exporter companies are most transparent as they are subject to scrutiny by international buyers. However, along the supply chain production becomes increasingly informal. Exporters are careful to distance themselves from the labor force: “exporters in Delhi, when asked about their manufacturing capacity, provide the number of stitching machines they own, and almost never the number of workers.”<sup>58</sup> As was pointed out in a study of the NCR by Dr. Alessandra Mezzadri, corporate codes of conduct can hardly be applied when no-one knows who they should be applied to.<sup>59</sup> Transparency is further hampered by the irregular production process: core production stages could go to an on-site factory, but also to an off-site factory or fabrication unit where entirely different conditions prevail. Embroidery will most likely be done by a home-based worker, but it will be divided between dozens if not hundreds of homes. Finally, the system is irregular in that it varies largely from one order to the next, making it extremely hard to track even a single order and even harder to apply any enforcement of existing labor regulations. The production process may be understood, but only to the extent that it understood to be unpredictable.

### Workforce Demographics

In-depth interviews with contract laborers allowed ASK-Verité to put together a typical worker profile. The majority of the workforce is made up of seasonal migrant workers. Migrant workers coming to the NCR generally originate in rural, agricultural communities within the states of Uttar Pradesh, Bihar, Orissa, West Bengal, Jharkhand, with the majority from Uttar Pradesh and Bihar.<sup>60</sup> Agricultural work is seasonal, only offering a few months of full-time employment and even then rarely rising above subsistence earnings. By migrating between



the NCR and their home communities, workers are able to combine two seasonal occupations. Experts confirmed that approximately 80 percent of all contract workers in the NCR garment sector are male migrant workers.<sup>61</sup> Workers indicated that the expense of bringing their families to the NCR was prohibitive.

Workers speak a variety of languages of north and eastern India including Hindi, Oriya, Assamese and Bengali, with Hindi as the most common. As contracts and other documentation are often in English, language can prove a barrier for all, with illiterate workers being most vulnerable. Among workers interviewed, the level of formal education achieved ranged from none to the tenth grade, with female workers having a lower level of literacy and education. However, women often reported been taught *zardozi* embroidery from an early age, whereas men may have basic tailoring skills but often seek employment first as apprentices or assistants, working for a lower wage until they gain the necessary skill sets.

Once they enter the garment manufacturing industry, workers may remain in the NCR or return for subsequent years. Research found that the average age range of workers is 20 to 35 years of age, the majority of whom are male.<sup>62</sup> The younger workers interviewed by ASK-Verité had between five and seven years of experience and the older between 12 and 15. Though it is females who generally have tailoring and other skills prior to entering garment manufacturing, male workers largely concentrate in the better-paid factory and fabrication unit positions, while female workers concentrate in home-based embellishing work such as *adda*, *motti* and *zardozi*.

The separate case of child laborers is discussed in the relevant section.

### *The Brokers*

Contractors are both a result of the complex production process and the means by which it functions. The contracting system dates to the nineteenth century, when contractors would charge a fee for placing workers by removing a portion of their wages, a process known as “sweating.”<sup>63</sup> The roles of current-day contractors are much broader. **Contractors** in India are distinguished from other brokers because they not only arrange for the worker to enter into employment but also – in many cases – manage the production process of the good the worker is engaged in producing. Just as there exist different types of contract workers within each of the production units, contractors play various roles in the manufacturing process. Unlike for workers, there is a no distinct terminology for different types of contractors; in India they are referred to simply as *tekhedaars*,<sup>64</sup> and in English as contractors or subcontractors, though in reality they may be functioning as sub-subcontractors, and so on. For purposes of clarity within this report, contractors have been divided between **contracting companies** and **contractor representatives**. Contracting companies can be said to be the entity which is the “employer” of the contract worker. Contractor representatives can be individuals who work and act for the contracting company in a number of capacities, for example as supervisors within a factory or **recruiters** outside the NCR. Whatever name they may go by, they all fit the ILO definition of labor broker.<sup>65</sup> Contractors can be involved in forced labor through the recruitment and bondage of children, or more rarely through the granting of advances to adult workers and then requiring them to work extreme amounts of overtime against their will.

In the NCR garment sector, most contractors do not focus on adult recruitment but rather the actual production of garments. They receive an order from a manufacturing company or another contractor and are paid upon completion of the order. Ranging in average size from a single contractor to those with 5,000 workers under them, contracting companies can own factories and fabrication units and in many ways operate like traditional manufacturing companies. Smaller contractors tend to specialize in a specific type of service, for example fabricating, embroidery, or stone washing, so a garment might pass through the hands of several contractors or subcontractors prior to being completed. Even the packing of the garment is sometimes contracted out. The irony of contracting companies is that they can combine informal, unregistered units with large-scale, highly efficient small and medium corporate enterprises. However, it is important to note that there are also contractors who are located off-site with no relation to the production process, handling only the wage payment and paperwork-processing elements of contract labor management.

While the vast majority of adult workers enter into the garment sector without formal recruitment, some contractors do occasionally send agents to communities, particularly in Uttar Pradesh and Bihar. Once there, the recruiter guarantees a work placement and arranges workers' transportation to the NCR. If local, this agent may also serve as a local contact for the worker's family members to pick up remittances. Child workers are much more likely than adults to be recruited directly by a contractor, who meets with parents and tells them about the potential for their child to learn skills and send remittances home. In rare cases, he will also offer an advance of INR 1000-1500 (USD 21-32<sup>66</sup>). See *Child Labor* for more detail.

Contractors' principal roles change at each stage of production, and can run the gamut from large, sophisticated outsourcing operations to informal, individual subcontractors. Contracting *companies* act as manufacturing companies, with a direct employment relationship with the workers. Like exporters, each contracting company may own several units integrated vertically across factories and fabrication units. The potential roles of contractors at each level of the supply chain are described below:

- At first-tier factories, contractors act as management personnel, supervising the contract workers and remitting their payment. The contractor, and not the company which owns the factory, is considered the worker's employer. The same contracting company may have several representatives at each factory, with one representative of the contractor managing each section, for example one for cutting and one for tailoring. The contractor representative will interact directly with the worker and supervise his or her work quality and attendance. ASK-Verité interviews revealed that contractors working within first-tier factories are most likely to be formally registered, though they may have direct connections with unregistered subcontractors.
- A similar relationship exists at the second-tier factories, but there the entire workforce is made up of contract workers, with contractors serving as both owners and managers.
- Fabrication units do not have regular hours. Instead contractors grant piece-rate contracts, with workers coming and going as they wish. Contractors oversee work quality and remit payment.
- Finally, contractors working out of or with connections to a factory or fabrication unit will take the tailored clothing, along with additional supplies, to the home-based workers for decorative work. In some cases, workers interviewed by ASK-Verité reported subdividing the order among acquaintances, effectively making the worker herself a subcontractor.

When the garments transfer from factory to fabrication unit to home units and back, it is contractors, often multiple contractors, who arrange the transfer. Given that each garment may move between four or more sites over the process, this role is essential to ensuring smooth and efficient production during what is often a tight schedule. It is probable that without such an extensive contracting system, maintaining such a sprawling and informal workforce would not be possible.

A combination of other factors contribute to the dominance of the contracting system. According to NGO interviews, one reason is the purchasing practices of international brands, whose need for low-cost goods and tight production deadlines lead to exploitive conditions. For example a drawn-out process of approving the final product sample takes away from the exporter's lead time in production. The frequency with which styles change also contributes to the need for rapid processing. This forces manufacturers to seek out temporary contract workers through brokers. Brokers then demand extensive overtime, and as this is illegal, records are altered and workers never receive full payment. In addition, the last-minute completion time means that the added expense of international air-freight transportation must be borne by the manufacturer, who deducts this from labor costs. An even more large-scale economic factor is the fluctuation of the rupee, particularly against the dollar, as downward trends tend to lead to further cost cutting.

The widespread use of contractors has serious drawbacks. According to data gathered during interviews, only 30-40 percent of contractors are registered (generally larger contractors and those working inside first-tier factories) and subject to little or no enforcement by either labor inspectors. Companies, too, rarely monitor their contractors or subcontractors, but when they are questioned on their labor practices they can always claim that the workers

are not employed by them, but by the contractor, permitting a systematic lack of accountability. Since contractors often cannot count on long-term relationships with exporters, there is little incentive for them to invest in improving labor relations for the sake of one or two customers who might want to encourage higher standards.<sup>67</sup> In the words of the ILO, “Suppliers can pass on the burden to labor contractors, demanding that they provide workers at a cost so low as to make the use of coercive methods more likely.”<sup>68</sup>

## THE EMPLOYMENT LIFECYCLE

### *Recruitment, Hiring and Transport*

ASK-Verité’s research did not find tipping points for forced labor in the recruitment, hiring, and transport stages of the employment lifecycle for adult male migrants employed in the garment sector of the NCR region. Nor did the research find that labor brokers play much of a role in the recruitment, hiring, and transport process. However, the underlying reasons for migrating, in some cases, created such vulnerability in that workers are often living on a “razor’s edge” of financial solvency due to preexisting family debts. This, in turn, raises their vulnerability during the “on the job” phase of the employment lifecycle to undertaking more debt and being coerced into working excessive amounts of overtime.

Research findings for the recruitment, hiring, and transport phases of the employment lifecycle are described below.

The reasons for migrating most frequently cited by workers include the higher salary (INR4,000, or USD 85, a typical monthly wage, is equivalent to three months’ earnings for agricultural work) and the need to pay off female relatives’ dowries. Research findings also echoed ILO reporting on India, which stated that “expenses on gender-related social ceremonies (puberty and marriage celebrations) emerge as the main reason for families to take a bonded debt, followed by maternal and child health expenses.”<sup>69</sup> In this sense, debt in India is very much a family dilemma. The debt incurred for a sister’s wedding might push her brother to the NCR under circumstances of exploited or coerced labor, or a father’s debt might compel him to send his underage child across the country for minimal earnings.

Unlike in other brokerage models, contractors in NCR garment manufacturing do not generally use adult recruitment as an entryway into forced labor: no fees are charged and generally no advances are offered at this stage, meaning the worker is not financially bound to the contractor. (Again, child laborers are often recruited through separate mechanisms, which are discussed below.) While no worker interviewed for the project reported being recruited from his or her home community by a contractor, the contractors and employers themselves indicated they did hire agents for this purpose. According to their statements, recruiters travel to the most common communities of origin for migrant workers, most of which are located in Bihar or Uttar Pradesh. Recruiters’ most persuasive information is the salary - high for agricultural communities, and combined with the possibility of earning even higher amounts through overtime. Workers reported to ASK-Verité that the wage is the primary consideration in choosing a broker. Most workers are recruited informally, by a friend or family member. In the latter case, the acquaintance may simply share information regarding the abundance of job opportunities in the NCR or the typical payment scale and offer to introduce the contractor, or to accompany the worker from his or her home community and help him or her settle in the NCR. At times the acquaintance may also receive a payment to the order of approximately INR 200 (USD 4.25) conditional upon the worker remaining in the position for which he or she was recruited. While here the friend could technically be considered to be acting as an agent for the contractor, the role is a temporary one and does not play a significant part in the long-term worker-contractor relationship. ASK-Verité did not uncover any instances of friends or family members abusing their relationship to obtain the recruitment payment.

At the time of hiring, agents inform the workers of their salary and work type, and require proof of age and identity. In some cases, an educational certificate is also required. For factory workers, recruitment is followed by

trial periods ranging from one to three days during which potential hires are asked to demonstrate their skills, while home workers might be asked to show samples of their work before taking on a contract. Later, nonpayment or delayed payment of wages by the current broker or an offer of a higher pay rate tempts workers to change contractors. This casual word-of-mouth sharing continues even after the worker has arrived in the NCR and obtained a job, as workers constantly share information regarding working conditions and wages, encouraging movement between contractors. Workers stated that this is the only means available to workers to obtain information regarding contractors' credibility, which is strengthened because all workers tend to cluster with family members, neighbors, and other migrants from their home community.

Only when the worker is recruited from his or her home community by a contractor representative who arranges transportation to the capital is the worker not responsible for these costs, to be repaid if the worker reneges on the contract. All workers purchase their own return transportation. Because workers are not crossing national borders, they do not require the special work permits or expensive forms of transportation that contribute to high recruitment fees in other locations, and thus are protected from high brokerage fees or inflated transportation costs.

### *On the Job: Mechanisms of Coercion and Vulnerability to Subjugation/Enslavement*

#### **Reception and Job Assignment: Informality, Deception and Blank Contracts**

Interviews with workers in all types of production facilities demonstrated that abuse of contract workers begins with the contracting process. Legally, all contract workers are entitled to receive a copy of any signed contracts in their native language; in practice workers are asked to sign many documents in English, do not receive a personal copy, and have a limited understanding of their contents. Many workers are also required to sign blank documents that can be manipulated later into signed resignations. Sometimes workers sign contracts but are never formally listed on official records; these workers are asked to leave whenever there are inspections or audits within the factory. Contractors do not provide access to employee files, though in theory employers may access them. First-tier workers must submit their proof of age and identification to the contractor before beginning their jobs. If no proof of age exists, the company doctor examines them for confirmation based on dental development.

As fabrication units are unregistered, workers are hired without any written procedures, including documentation testifying to legal age, and without any guarantee of conditions of work. They receive oral instructions and information only and do not submit written documentation, putting them at increased risk for underpayment of wages, excessive overtime, and other violations. Neither fabrication unit nor home-based workers generally know what company they have been contracted for or how their piece rate is set, making it impossible to report any violations to the manufacturing company.

Once on the job, for first-tier workers, the work day begins at the fixed hour of 9:00 a.m. and ends between 6:00 p.m. and midnight. Fabrication workers, who are paid by piece rate, make their own schedules but generally work from 8:00 a.m. to 9:00 p.m., with a break for lunch. Home-based workers arrange their schedules around the needs of the house, working for approximately four hours in the morning following cooking, prayers, and childcare, an additional three hours in the afternoon between lunch and dinner, and an hour in the evening following dinner for a total of eight hours.

#### **Case Study 1: Rakesh – An Adult Male Migrant Worker**

Rakesh was first enticed to move to the National Capital Region by his neighbor, who returned to his home village of Chapra, Bihar after three years and spoke enthusiastically about city life. At 20 years old and with a tenth grade education, Rakesh was the most highly schooled of his siblings and was not interested in working in agriculture. He was also excited by the potential of earning INR 4,000 (USD 85) per month, three times the amount he was earning on his parents' farm. But before leaving for Delhi, he first had to convince his parents, who, while at first reluctant, agreed to let him go after he pledged to travel with his friend and promised to visit during holidays and to send money home.

Rakesh traveled to the NCR with his friend who assured him that there would be ample work in the city. Once there, he roomed with his friend and others from his community in a region of the city called Veer Bazaar Wali Gali in Kapashera in southwest Delhi and arranged to meet a factory contractor the next day. The contractor asked him to sign a number of what to him were impenetrable documents as well as a blank page, and told him that his monthly salary would be INR 3,840 (USD 82). The contractor informed him that he would be hired as a helper, as he did not yet have any technical skills, and his employment could be terminated at any time.

The place where Rakesh worked held 300 machines and workers. The room was hot and unventilated, but drinking water was sometimes available and men and women had separate toilet facilities. Work days were long, from 9:00 a.m. to 6:00 p.m., with overtime of four to six hours per day during peak periods. For this he was promised an overtime rate of 200 percent, which at the end of the month was not included in the paycheck. When he protested, the contractor replied that this is what the company had sent and he could do nothing about it. Rakesh was told that if he went home on leave he would not be guaranteed a job when he returned.

One time a group of workers gathered and presented two demands to the managing contracts: first, that they would not work overtime past 10:00 p.m., and, second, that they should be provided dinner when working late hours. In response, they were offered the choice either to continue in the current conditions, or to leave.

Even when overtime was not overwhelming, physical and verbal threats created a violent working environment. Rakesh himself was often insulted or shouted at by contractors, but did not retaliate for fear of losing his job. In addition, during the winter months workers' I.D. cards were confiscated during work hours and guards were posted at the gates with instructions not to let them out of the factory without identification. The cards were not returned until daily production quotas were fully met. In Rakesh's opinion, the manufacturing companies and contractors are in collusion to keep workers locked in the factory.

### **Temporary Restrictions on Freedom of Movement**

Fabrication unit and home-based workers do not suffer restrictions on freedom of movement. They can enter and exit the premises without monitoring and no hours are recorded. First and second-tier workers, however, are vulnerable to compromised freedom of movement. During peak season or when a last minute order must be completed, first- and second-tier workers are frequently not permitted to leave the work premises until the production target has been met. In some cases, their supervisors confiscate their identification cards, without which they cannot leave the building. During the day, however, they are free to access drinking water and toilets, though certain tasks may restrict movement by limiting the time away from machines.

### **Advances and Debt Bondage**

Spurred on by medical emergencies, wage shortfalls, or the need to send money to their families, workers sometimes accept the offer of loans (referred to as “advances”) from their contractor. Advances are taken by workers in all types of production units. ASK-Verité's research found that such taking of advances creates a dynamic under which the contractor is then able to leverage this financial obligation to induce willingness to perform excessive and sometimes extreme amounts of overtime. Workers described to ASK-Verité being tied to a particular workplace upon taking on an advance. (Interestingly, these workers did not view themselves as being “forced” to work. Advance taking is a common practice, and workers viewed it as merely part of life as a contract worker.) The ILO specifically cites forced overtime as a possible indicator of forced labor under the criterion of “menace of penalty” when it cites the “loss of wages accompanied by threats of dismissal if workers refuse to do overtime beyond the scope of their contract or of national law.”<sup>70</sup>

This scenario of temporary, debt-induced ties to a workplace fits into the overall pattern described by Jan Breman in his study of new forms of bonded labor in India, in which he notes that workplace freedom is “nowadays temporally restricted, and not the beginning of a [longer-term bonded] relationship.”<sup>71</sup> While this form of bondage is clearly less egregious than more permanent forms (such as the sometimes life-long or multigenerational debt carried by some agricultural workers), it is nonetheless of critical importance when evaluating and addressing the state of worker- and human rights in today's global workplace.



It is important to note that, among workers interviewed for the current study, cases in which advances turned into situations featuring both the menace of penalty of forced overtime and lack of consent – the two criteria for forced labor – were rare. Lack of consent is particularly difficult to characterize, as adult workers have generally already voluntarily entered into an employment agreement with the contractor prior to receiving the advance; therefore, to prove a case of forced labor – namely, debt bondage – it would need to be shown that the worker could not subsequently break from the contract. Further complications arise because forced overtime, particularly during the peak season, is the norm for many workers; and thus involuntary overtime due to bondage is difficult to distinguish. Even while the ILO acknowledges involuntary overtime under menace of penalty, it writes, “there is some confusion over what constitutes bonded labour. For example, when workers receive short-term advances from their employers, in the absence of formal financial services to cater to their credit needs, they are considered as working of their own volition and not under coercion.”<sup>72</sup>

It is also worth noting that, under Indian law, all workers paid less than the minimum wage can be considered bonded laborers, a definition much broader than any under international conventions. Should the national definition be utilized, low wages, coupled with the contractor violations listed below, would mean that most contract workers in the NCR garment sector could be considered bonded. However, this interpretation has been criticized by some as overly broad and weakening prosecution of genuine forced labor perpetrators. For the purposes of this report, the term “bonded labor” refers to the ILO and not the Indian definition.

### **Cultivating the Need for Overtime through Deductions, Underpayment, and Fines**

Workers interviewed reported that contractors reduce workers earnings in a number of ways. Illegal deductions represent the largest portion of workers’ losses. Often, a portion of factory workers’ paychecks is subtracted, supposedly for contributions to the Provident Fund (Social Security) but really confiscated by the contractor, both robbing the money and leaving the worker without a key social benefit. Another method is to record salaries higher than the amount the worker actually receives and to force the worker to sign for the full amount. According to interviewed workers, both contractors and the manufacturing companies can be involved in this process, with the two splitting the difference, which can amount to several hundred rupees per month. Their wages are further reduced through the underpayment of overtime, with only the normal hourly rate being paid instead of the increased rate of 200 percent, and through the incorrect recording of hours worked or pieces completed. These earnings were also siphoned off by the contractors.

Workers’ payments are also reduced through fines. Factory and fabricating unit who workers use looms and other types of machinery are fined if the equipment becomes broken or damaged. For damage to the garments the worker must pay for the piece if it is cut incorrectly or re-stitch it if it is sewn incorrectly. Home-based workers are paid by the piece, with partial or no payment made for damaged or otherwise imperfect pieces; as the workers have no way of verifying what pieces were rejected by the company, contractors sometimes pay the reduced rate for “damaged” pieces which are later sold at full price.

Even before illegal deductions, payment rates for contract workers are generally below the minimum wage. Factory workers are paid by wages; fabrication unit workers may be paid wages or a piece rate. In the case of first-tier workers, payment is dispersed on the seventh of every month by deposit or, more frequently, cash in the presence of an employer representative. Few receive salary slips; most simply sign a register confirming receipt. For both fabricating unit workers and home-based workers, no written record supports their hours or total work submitted or even their employment with the contractor, leaving them highly vulnerable to abuse. For these workers, payment is made in cash whenever the worker wants to settle the account, usually on a weekly basis. No pay slips are issued.

For home-based workers, funds are only remitted after the broker itself received payment from the company, resulting in delays of several months and cases of non-payment. One group of women reported being owed INR 7,000 (USD 149) in back payments by their broker. No system exists to accurately convert the piece rate to the

minimum wage, and working an average of 16 hours per day at the average rate would still result in total earnings less than the legal minimum. Occasionally, the worker and broker agree on how many hours a particular task will consume and set a payment accordingly. Here in particular a worker's lack of education is a serious weakness.

Despite the low payment rates and deductions, some workers manage to send a portion of their earnings to their families. Full time employment does not allow workers to save sufficient funds to send to their families; generally, they have to work significant amounts of overtime and minimize expenditures on housing and other necessities in order to do so. The remittances reported by the workers interviewed ranged from INR 1,000 to INR 2,000 (USD 21-43) per month. Funds are transferred via bank account with an ATM card for the family member at home, by cash through a worker who is returning to the same village, or through an agent. Some agents of the NCR-based brokers have representatives in the villages who will transfer the money for a fee of 5-6 percent of the total.

All of these deductions, fines, and withholdings have the accumulated effect – whether intentional or accidental – of heightened desperation on the part of the worker. This, combined with lack of alternative job opportunities, results in individual workers concluding that they have no other choice than to accept excessive hours of overtime, restricted freedom of movement, and shortchanged wages.

#### **Case Study 2: Fatima – A Home-Based Worker**

Fatima has been doing hand-work as a home-based contract worker for 16 years from her home in the slum of Govindpuri, South Delhi. She originally migrated there from Etah, Uttar Pradesh, with her husband over 32 years ago and currently has five children. Motherhood was what originally led her to seek supplementary income, originally through *zari* works.

At first Fatima obtained work through a subcontractor, who had in turn been subcontracted, and while it paid poorly she was able to complete it from home while caring for her children. Problems soon arose, though, when payments were delayed for four to six months, or miniscule defects in the embroidery led to the piece being rejected. Though she thought the contractor sometimes sold the pieces regardless, Fatima received no compensation. For accepted pieces, which took approximately eight hours to complete, Fatima received INR 100-120 (USD 2.13 -2.55)

Unhappy with her contractor, she started seeking work directly from a local second-tier factory, which processed orders from larger factories in the region and subcontracted handwork through a group of agents. Fatima contacted the owner, Mudasser Alam, and arranged with him to take in work. The agent would deliver the pattern and materials to her home and she returned the completed pieces from the factory. These were more complicated ladies' wear items known as *chunni* and *lehenga*, which required seven to ten days to complete and for which she received INR 1200-1500 (USD 26-32), a slight increase over her previous work. Starting at about ten years of age her daughter also helped her in the embroidery.

As she received additional work, the deadlines became more constrictive and Fatima started giving out work from the factory to other local women. Currently, she coordinates the work of four different women, arranging for the contracts and making payments, and keeping a small fee for herself.

#### **Other Forms of Exploitation**

A number of forms of exploitation are present throughout the different types of production units, with a consistent gap between the conditions that manufacturing companies reported monitoring for and what workers reported experiencing. Many of these forms of exploitation are indicative of the broader abuses present in many industries in the NCR and others are a result of the contracting system itself.

**Hazardous Work Environment.** Factory workers suffer from hazardous working conditions including lack of ventilation, absence of sufficient light, and a high presence of dust leading to risk of tuberculosis. At fabrication units, restrictions on freedom of movement, extensive overtime, and high levels of harassment and abuse are

widespread. Housing is also poor, with four to five workers sharing a single 10 by 15 foot room. Contractors do not provide or arrange for housing fabrication unit workers, who sometimes choose to reside on site, moving aside the machines during the night to sleep in order to save rooming costs. As the work conditions are rarely sanitary, this increases the workers' susceptibility to health risks. Home-based workers may suffer from eye problems and headaches due to the small stitching required. None receive social security or other health benefits.

*No Sick or Vacation Leave.* In order to get leave to visit home, first-tier workers must receive permission from management, as they do not receive leave time, sick time, or other leave. In the fabrication units, workers are free to come and go, though they often return to a different employer following their absence. Some employers claimed to give occasional leave to long-term contract workers, but this was not verified by worker testimony.

*Gender Discrimination.* While male workers predominate in factories, home-based work, the lowest paying portion of garment manufacturing, is largely carried out by females. When women are contracted as factory workers, they are highly vulnerable to sexual harassment and abuse; even male workers reported witnessing cases when women were threatened with dismissal if they did not perform sexual favors. While company representatives pointed to women's committees and other grievance mechanisms in place, workers reported that they do not function effectively. Experts pointed to the regional concept of the feminine, reflecting that in northern India, tailoring is seen as a privileged, masculine domain, whereas in other regions where tailoring tasks involve less complicated stitching, it is seen as permissible for women to enter this sphere.<sup>73</sup>

A recent ILO-sponsored survey of women's participation in the Delhi labor force offers another view into the broader socio-economic reasons behind the concentration of women in home-based work. When asked their reasons for participating or not participating in the workforce, family life proved both to be an impetus and a barrier: while the two most frequently cited reasons for avoiding work were conflicts with domestic duties and child care, it was household costs that often forced women to work. Twenty-five percent of non-working women cited "familial objections" as their reason for not working, and the same percentage as "workload is too much," both of which ranked over "lack of job opportunities" at 17 percent. Twenty-two percent of women reported that their earnings were the principle household support.<sup>74</sup> These figures help to explain why, despite the poor remuneration, home-based hand work remains popular, as it offers a balance between these conflicting needs. ASK-Verité's breakdown of the average hours worked by women confirmed these findings and revealed that for women, the "work day" is concentrated between breakfast and lunch preparation and between lunch and dinner.

*Verbal Threats and Physical Violence.* While women are subject to particular abuses, both men and women working within factory settings are subject to negative working environments. First-tier workers in particular experience regular verbal abuse by supervisors, who monitor the work closely. Management does not interfere. At times physical abuse occurs, such as striking of workers with brooms or scissors, grabbing workers by the neck, the throwing of objects with the intent to injure, or direct physical hitting. Most workers reported being coached prior to labor inspections or audits and being threatened with dismissal for reporting negative conditions. Motivation through threats is an accepted part of the work culture.

## CHILD LABOR

Underage workers are involved in all levels of the garment supply chain in a range of capacities. Estimates on the total number of child laborers in the NCR vary. In 2001, the most recent year for which figures are available, the National Child Labor Project reported that approximately 42,000 child laborers worked across all sectors in Delhi; and that approximately 1,117,500 and 1,927,997 respectively worked in Bihar and Uttar Pradesh, the two most common states of origin for migrant workers in the NCR region.<sup>75</sup> Using government statistics, it is not possible to extrapolate the number of child laborers in the NCR, which includes portions of Uttar Pradesh and other neighboring states, as opposed to Delhi alone. One NGO interviewed, *Bachpan Bachao Andolan* (BBA), claimed that there are 12,000-15,000 children engaged in the *zari* work in the garment supply chain in the NCR region.

The most egregious cases of forced labor in the garment industry of the NCR region are those of child bonded laborers. In a relatively recent case that came to light, factories supplying to The Gap, Inc. were revealed to be using child bonded laborers.<sup>76</sup> ASK-Verité's field research found that labor brokers (who are sometimes textile workers themselves, functioning as labor brokers on the side) are paid by factory owners per head to provide child workers (*chelas*) from their own village or district. The parents of the child are provided an advance on the child's salary and must consent to the child working for one to two years in the factory. The labor broker oversees the transportation of the child from the village to NCR. The child must first undergo an "apprenticeship" period during which s/he does not earn a salary. Pay is withheld in entirety until the child fulfills his/her contract of one to two years. Food and lodging expenses are deducted from child's salary. The children are forced to work long hours in poor working conditions and are subject to verbal, physical, and sometimes sexual abuse. Children are not allowed to leave the worksite and their movement is under constant surveillance.

Unlike adults, children are actively recruited to enter the garment industry – particularly as *de facto* bonded laborers in lower-tier and fabrication units. NGOs interviewed reported that recruiters travel through Bihar and Uttar Pradesh, targeting boys between the ages of eight and 14, and telling parents about the potential for marketable learning skills. The contractors pay for transport, food, lodging, and some medical expenses during the training period. If the children wanted to leave a job, they would have to repay these expenses. In some instances, parents accept the offer to take an advance at the time of recruitment, thus leveraging the future labor of the child. Though parents effectively turn custody of their children over to the contractors, there is no documentation of either the conditions of work or even that the child is being sent with the contractor. Whether or not an advance is made, since the child is generally underage, in a controlled environment, and subject to physical, verbal, and mental threats, he or she can be considered to be in forced labor.<sup>77</sup>

Child recruiters form a separate network than those who recruit and manage adults. According to expert interviews, they specialize in obtaining child workers; and often have extensive connections with the local police and inspectorate, allowing them to continue their illicit work undisturbed. Another method to evade detection and prosecution is to move from village to village, and to utilize multiple agents so that repeat visitors are not recognized. Visits are brief; generally, only two to three days pass between the contractor's arrival in the village and departure with the recruited children. *Bachpan Bachao Andolan* (an NGO that rescues and rehabilitates victims of child bonded labor) stated that fewer than five percent of the children they worked with had traveled independently to the NCR and all others had been contracted by their parents.

While it is high levels of indebtedness – often with local money lenders at interest rates of 10 percent per month – that sometimes drives parents to contract their children, children generally do not earn enough to send money home until after working for two or more years. After being contracted, children pass through a six month, unpaid apprenticeship period after which they earn a small amount of pocket money, then INR 200 (USD 4.25) per month, increasing to INR 800 (USD 7) as they grow older. After several years, they are generally paid between INR1000-1500 (USD 21-32). Depending on age, a child's salary might represent between five and twenty percent of an adult's, offering a clear incentive for contractors. NGOs interviewed also reported that children are preferred for the belief that smaller fingers produce better *zari* work and the employers' ability to control them easily. Referring to child labor across sectors, Human Rights Watch has written that "The debt that binds them to their employer is incurred not by the children themselves, but by their relatives or guardians-usually by a parent... The creditors-cum-employers offer these 'loans' to destitute parents in an effort to secure the labor of a child, which is always cheap, but even cheaper under a situation of bondage."<sup>78</sup>

Though they are monitored closely by the contractors, child workers reportedly care for themselves. While working, children generally sleep on-site, exposing them to stuffy, unsanitary mosquito-filled rooms with a lack of water and other personal hygiene requirements. Children interviewed were subject to verbal and physical abuse, including with threats of being turned over to the police. The group interviewed stated that their freedom of movement was restricted with prohibitions against leaving the factory, and their only free time was a two-hour period on Sunday afternoons during which they are given permission to go to the market - still under supervision. They were allowed to call their families a few times per month, but all calls were supervised by the contractors.

NGOs indicated that any police who visit the units are bribed, and their collusion means that contractors can threaten children with police violence if they do not obey orders.

Children also participate in home-based labor both in the NCR and the *adda* centers of Uttar Pradesh and Bihar. Since a faster production rate leads to the awarding of more contracts, home-based workers also indicated that they involve their children in production. In the NCR, workers reported that these are generally girls between the ages of 14 and 16 who work part-time following school, while data from Uttar Pradesh and Bihar indicates that children tend to work collaboratively within family units.<sup>79</sup> In these cases, the conditions under which they are working are less extreme than for children who have been contracted out.

Organizations such as BBA identify and remove children from abusive situations and then bring them to the attention of the Child Welfare Committee (CWC) for return to their home communities. BBA also does follow up checks on the rehabilitated children.

## CONCLUSION

In the most straightforward cases of debt bondage, the worker is tied to a person or company who acts both as the financier holding the debt and the employer – thus creating a clear and unquestionable dynamic of debt-induced forced labor. Cases in the NCR garment sector that were identified by ASK-Verité as having elements of debt bondage were not so straightforward. In the majority of cases, workers are brought into debt by one actor and compelled into exploitive conditions by another; or take temporary advances from their contractor-employer. These situations, while not equivalent to more classic cases of debt bondage, are arguably analogous in key ways.<sup>80</sup>

Labor experts have, in recent years, been adding more nuance to the understanding of what can constitute forced labor in modern-day global supply chains. In its most recent report on Forced Labor, on the subject of “menace of penalty” the ILO observes that:

There can also be subtler forms of menace, sometimes of a psychological nature. ... penalties can be of a financial nature, including economic penalties linked to debts, the non-payment of wages, or the loss of wages accompanied by threats of dismissal if workers refuse to do overtime beyond the scope of their contract or of national law. Employers sometimes also require workers to hand over their identity papers, and may use the threat of confiscation of these documents in order to exact forced labour.<sup>81</sup>

As a well-known expert on Indian labor relations, Jan Breman, has noted, the “emergence of neo-bondage is strongly connected with the reinforcement of the casualisation and the informalisation of employment.”<sup>82</sup>

The low wages earned under the contracting system, in conjunction with the lack of financial lending systems, means that workers seeking loans often have no other options except to borrow from usurious money lenders or to take advances from contractors, setting them up for situations of de facto debt bondage. Similarly, extreme cost-cutting measures lead contractors to seek child laborers, who earn a fraction of an adult’s admittedly minimal wages and who once away from parents that are generally impoverished and in debt, can be taken advantage of indefinitely. Finally, the nexus between the informal and formal points of manufacturing allows subcontractors, and any forced and child laborers they may use, to hide under a mask of formality and adherence to labor regulation. What all three elements have in common is a root in macro-economic issues such as poverty and inaccessibility of credit systems, combined with an informal production process and ineffective monitoring of labor regulations.

Regarding child bonded labor, its existence in the garment industry is unquestionable, and an egregious violation of the rights of the child. It is interesting that, while child bonded labor has been well-studied in other more informal sectors such as bricklaying and beedi-rolling, its prevalence in the garment sector is less well-documented and understood.



As for the role of brokerage, in the case of adult contract workers the entrenching of “middlemen” in the supply chain in the form of various layers of contractors means that brokers are intrinsically linked to the vulnerabilities to forced labor detected in this study. In the case of child bonded laborers, the recruiter certainly overstates the benefits and downplays the exploitation entailed in the child work. But it seems that overwhelming poverty and desperation on the part of parents is the more critical tipping point for sending children into debt bondage in the NCR garment industry.

## Chapter 3: Vulnerability to Enslavement of Workers Migrating from the Indian State of Kerala to the Gulf Countries of the Middle East

### INTRODUCTION

The objectives of this research are to document trends in forced labor among workers migrating from districts in Kerala, India to the Gulf Cooperation Council states or GCC States (which includes Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman) by:

- Categorizing channels and processes through which workers are sent into conditions of forced labor;
- Exploring and identifying linkages between forced labor and labor brokerage/recruiting agencies;
- Mapping the types of labor brokerage/recruiting agencies; and
- Identifying the root causes and risks of forced labor due to the presence of labor brokers.

As this report will demonstrate, Indian workers traveling to the GCC States to work in skilled and semi-skilled jobs face many hardships, including highly leveraged debt due to excessive recruitment fees, unpaid or late wages, excessively low wages, confiscation of passports, vulnerability to imprisonment because of improper visa or work permit paperwork, death and injury on the job, and heat-related illness. The recent economic crisis has exacerbated these phenomena.

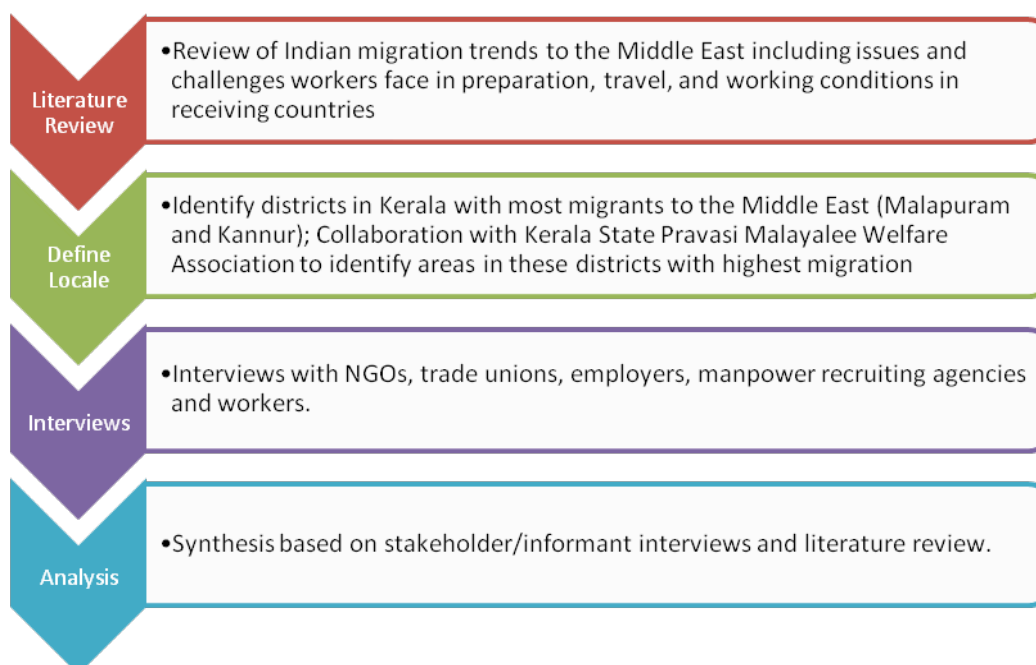
The role of brokers in the recruitment and hiring process heightens vulnerability to forced labor in several clear ways: excessive recruitment fees leading to debt bondage; deception about job salary and job type resulting in workers having to work longer and harder and – because of debt – feeling they have no choice in the matter; false visas or improper processing of visas and work permits, which can result in workers becoming illegal the moment they set foot on GCC soil – these workers are sometimes imprisoned and sometimes seek work as illegally, a tenuous status that is exploited by their employers. In addition, regulations in UAE tie workers to a particular workplace through a sponsorship system giving employers the ability to render workers illegal – thus giving the employer significant leverage over workers.

Push factors for migration to the GCC States include preexisting debts due to family obligations such as marriages/dowries and building houses; and the desire to achieve social status as an “NRI” or non-resident Indian”. Some survey respondents noted that young men in Kerala are unable to find a suitable marriage partner until they have achieved such status. Other factors include unemployment in Kerala and the desire to save money in order to launch a small business. Surprisingly, even after having experienced many hardships and even imprisonment, push factors are so strong that many Keralites opt to return to GCC States for second and third tours as migrant workers.

### METHODOLOGY

To undertake this research, ASK-Verité gathered documentation about migrant labor in Kerala, defined a target locale for qualitative research, established a framework, interviewed stakeholders, and analyzed findings. This report is the synthesis of data, interviews, and discussions to best illustrate forced labor vulnerabilities with regard to the role labor brokers in sending workers to employment in the GCC States.<sup>83</sup> The figure below summarizes the steps involved in the research, conducted between April and November 2009.

The study was carried out by a four-person team from ASK-Verité and two local associates from the Kerala region who speak the local language of Malayalam. In addition, the Pravasi Malayalee Welfare Association provided significant assistance to the ASK team in reaching out to respondents.



### Choice of Study Area: Kerala, India

Kerala is located in South India and has the highest number of immigrants to the GCC States in India.<sup>84</sup> Within Kerala, the districts of Malapuram and Kannur have the highest number of migrants, which makes them ideal for studying migration practices and labor broker dynamics.

ASK-Verité collaborated with the Kerala State Pravasi Malayalee Welfare Association<sup>85</sup> – a local NGO providing financial and emotional support – to returning migrants to identify focus areas within Malapuram and Kannur based on the following criteria:

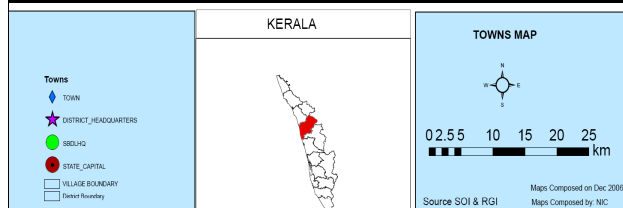
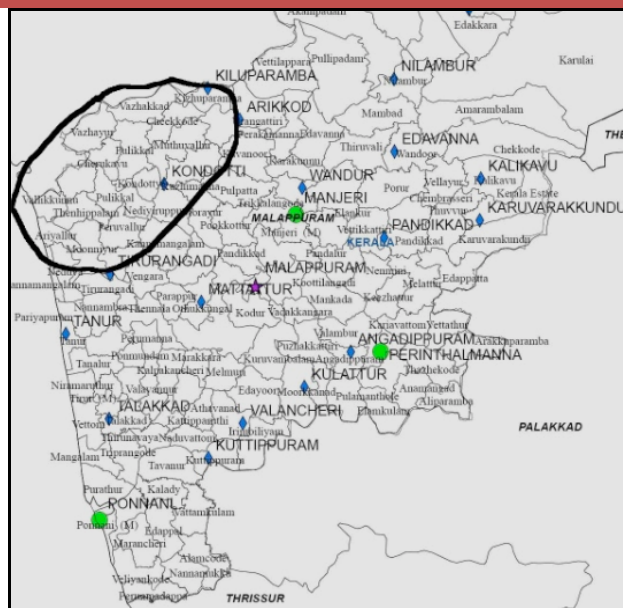
- ⇒ Maximum density of workers migrating to the GCC States;
- ⇒ Presence of manpower recruiting agencies in the surrounding districts;
- ⇒ Worker vulnerabilities such as poor economic conditions, lower educational levels, lack of steady income and social challenges such as dowry requirements; and
- ⇒ Access to the community through the co-operation of the Pravasi Malayalee Welfare Association.

Due to its high percentage of nearby migrants to the GCC States, and relative host of helpful welfare associations, Ramanattukera – a town at the border of Kozhikode and Malapuram districts – was chosen as the research hub.

Interviews were conducted in villages near the border of Malapuram and Kizhikode districts near Ramanattukera. The following table shows the villages in Malapuram and Kannur covered in the study.

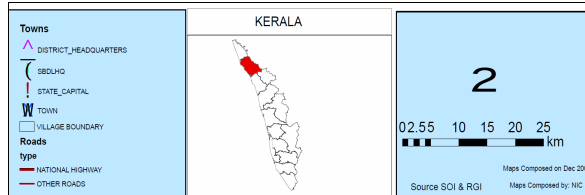
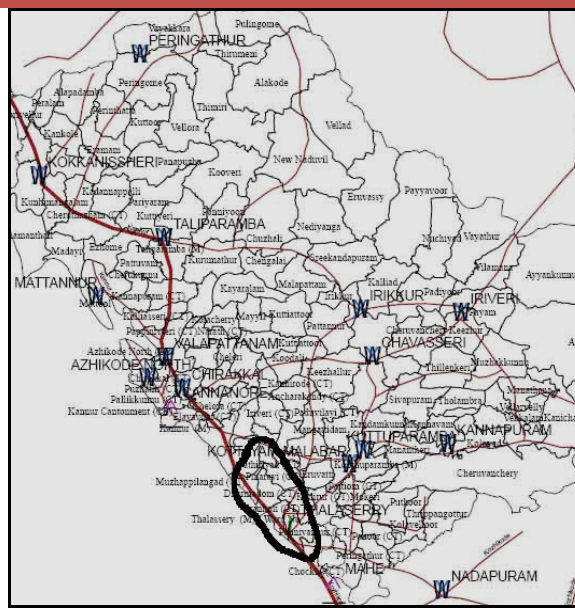


## Malapuram Study Area1



*Villages surveyed near the town of Ramanattukera:*  
 Cherukavu, Periyambalay, Koovelmoola, Santheesram,  
 Paravoor, Andhiyar Hill, Siyankandam, Paravoor School,  
 Pulikal, Devathiyal, Pulikal Puthur, and Kodivathu  
 Parambu

## Kannur Study Area1

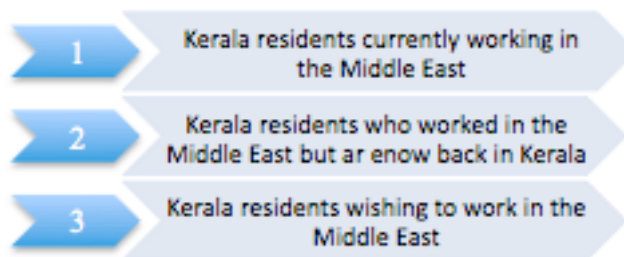


*Villages surveyed near the town of Tallecherry:*  
 Thottada, Azhikel, Thayyil, Neerchal, Kizhunnappara

ASK-Verité interviewed workers, employers, manpower recruiting agencies, local NGOs, and trade unions using semi-structured interviews.

ASK-Verité originally focused research efforts on Kerala workers with core functions in the manufacturing, construction and infrastructure sectors, although other workers in more ancillary roles such as such as drivers, cooks, and domestic help were found to have similar patterns of vulnerability to forced labor in the GCC States. By enlarging the job categories within the study, we were able to determine the extent to which the recruitment process, information channels and worker vulnerabilities were similar in other sectors. Since almost half of all workers in the two Kerala districts surveyed worked in the UAE, this report focuses on that country's labor laws and labor dynamics, although other GCC States are also discussed.

ASK-Verité grouped Kerala survey interviewees into three distinct categories:



*Workers who are currently working in a GCC State.* The workers in this category are currently employed in a GCC State. Gathering information from these workers was done through direct interaction with the workers and through interaction with their family members. The interview period took place during Onam, a state celebration where people from all religions participate equally. It was also Ramadan, the month where most Muslim migrant workers return to their homes. Workers who were on leave provided first hand information. For those respondents who are currently residing in GCC States, their families responded on their behalf.

*Workers who have returned from work in a GCC State.* This category consists of workers who worked previously in a GCC State and have returned to India. Reasons for leaving employment in the GCC States included low pay, health issues, being sent back for insufficient documents/work permits, expiry of contract/non-renewal, retirement; and finding working conditions too difficult. Some workers also shared that, at a certain point in time, they felt that they had made enough savings for their family and thus decided to return home.

*Workers who aspire to work in the GCC States.* Among the respondents, there were prospective workers who were seeking employment in the GCC States. Some workers had already applied for their visas.

Of the 62 workers ASK-Verité interviewed, twenty are currently working in the GCC States, twenty-four have returned to Kerala, and eighteen hope to migrate to the GCC States. ASK-Verité also interviewed eight manpower recruiting agencies, three local associations<sup>86</sup>, three trade unions<sup>87</sup>, and one major employer from the UAE.

Interview findings have been aggregated in this report. Case studies illustrative of important issues faced by migrant workers from India in the GCC States are offered throughout the report.

Throughout the report, the exchange rate of 1 US Dollar (USD) = 46.2800 Indian Rupee (INR) was used.

For UAE currency, the exchange rate used is 1 US Dollar (USD) = 3.67 Emirati dirhams (AED).

## THE SETTING

Because this study examined the experiences of Indian migrant workers laboring in a range of sectors in the GCC States – including manufacturing, construction, infrastructure – as well as workers performing ancillary functions such as drivers, cooks, and domestic help, the emphasis of the research was not on a deep analysis of sectoral trends in one or more of the sectors to which Indians migrate for work in the GCC States, but rather on overall migration trends and patterns of vulnerability to forced labor among the various groups of workers.

Therefore this “Sector” section will focus on broad migration trends to the GCC States from India, and “Workforce” will describe the demographic characteristics of migrants.



## The Sector: Migration Trends from India to the GCC States

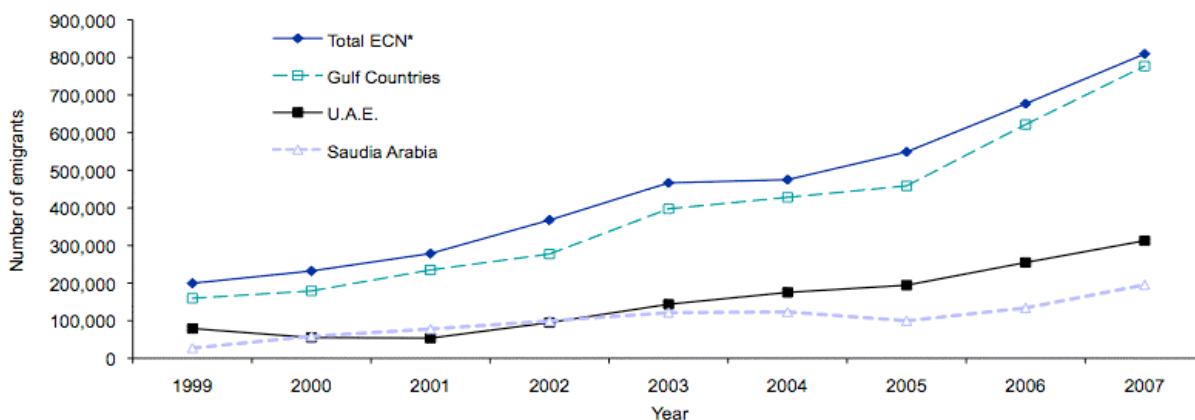
India has had a long history of migration and currently over 10 million migrants live abroad. This report focuses on Indian workers in the GCC States, also known as the Gulf Cooperation Council states, which include Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman.

### Indian Migration Routes<sup>88</sup>

Significant migration from India to the Persian Gulf region began in the 1970s, following the oil boom. Since then, an increasing number of semi- and unskilled workers from South India have worked in the GCC States as temporary migrants in the oil, services, and construction industries.<sup>89</sup>

While the migrant workforce in the GCC States includes workers from India, Pakistan, Bangladesh, Sri Lanka, Nepal, and Thailand, and other countries, India is by far the largest sending country. Between 1999 and 2007, the annual number of semi- or unskilled Indian workers going to the Gulf States more than quadrupled from about 160,000 to 777,000 (see Figure below). Indians going to the Gulf States in 2007 made up 96 percent of all unskilled and semi-skilled workers needing an emigration clearance or ECN.

### Indian Labor Migration, 1999-2007<sup>90</sup>



It is estimated that about 4.5 million Indians were living in the GCC States in 2008, 70 percent of them in the United Arab Emirates and Saudi Arabia.<sup>91</sup> According to a recent study,<sup>92</sup> Indians form the largest foreign labor force in the United Arab Emirates (UAE), accounting for 42.5 per cent of the total number of workers in the country.

However, in the past two years Indian populations in the GCC States have decreased due to the economic downturn. For example, in mid-2009 20,000 Indian construction workers in UAE were sent back to India en masse before their contracts ended.<sup>93</sup>

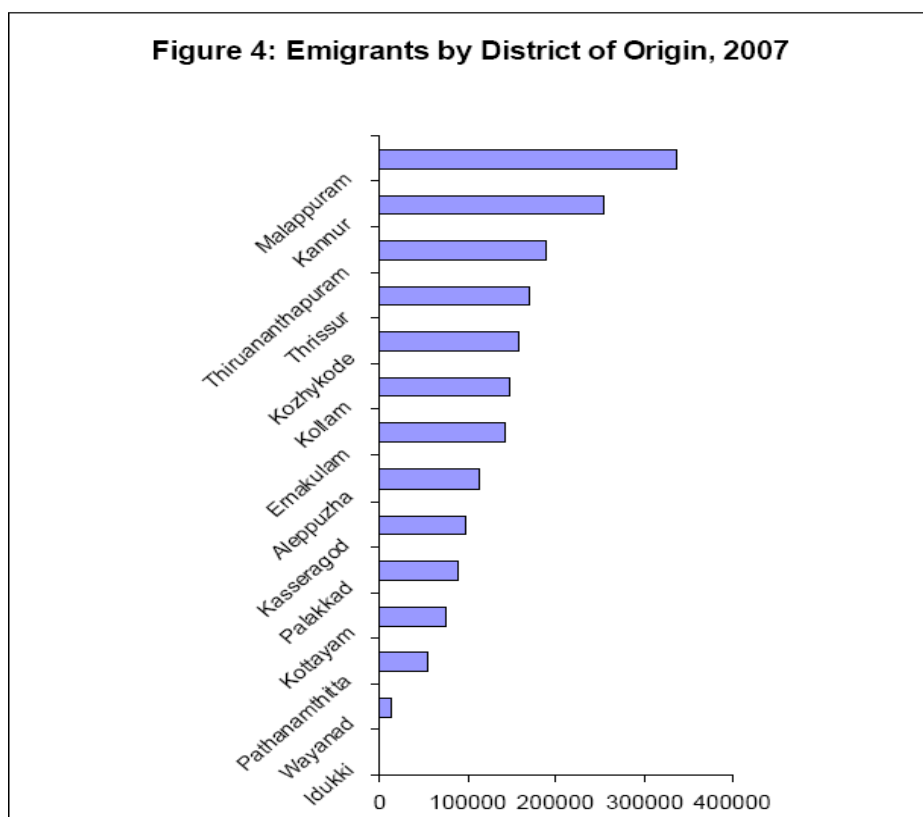
### Migration from Kerala to the GCC States

Indian workers in the GCC States are largely from the southern states Kerala and Tamil Nadu – which account for 43 per cent of all emigrants – sending 81,950 and 79,165 workers respectively; followed by Andhra Pradesh (38,417), Rajasthan (23,254), Punjab (19,638), Uttar Pradesh (19,288), Bihar (19,222) and Karnataka (14,061).<sup>94</sup>

Based on interviews with Kerala welfare associations and ASK-Verité research, the factors encouraging residents of Kerala to migrate to the GCC States include geographic proximity with the Gulf countries, a large Muslim population, and the ability to earn higher wages than in India. Additional push factors include:

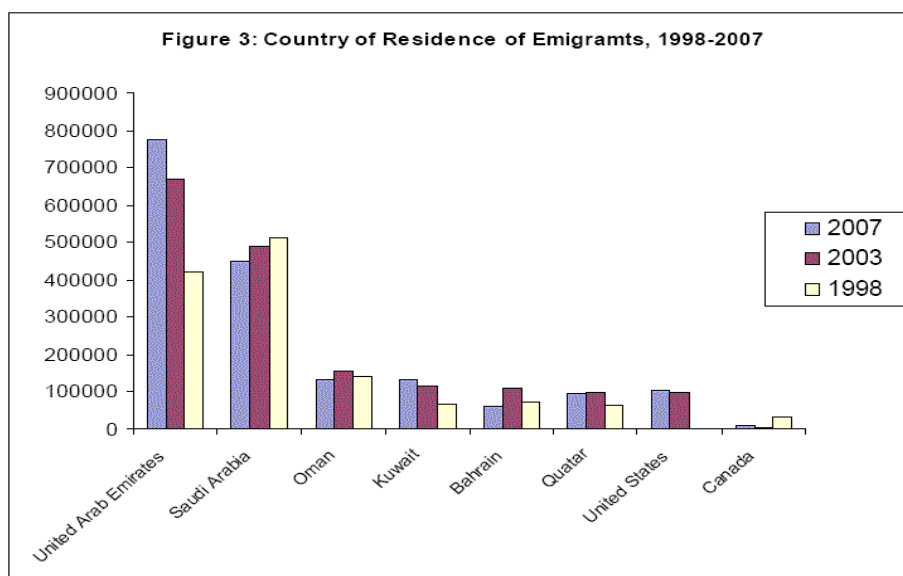
- Irregular income in Kerala due to market saturation for unskilled and semi-skilled work.
- Social status accorded with the Non-Resident Indian (NRI) that workers enjoy when they return to India.
- Until the recent economic crisis, sustained employment growth in the GCC States.
- Debts incurred by Kerala residents for dowries, marriages, and building houses. Working in the GCC States allows migrants to pay off these debts.
- Hopes to open a small business with savings from working in the GCC States.

According to a survey conducted by Center for Development Studies (CDS) on Kerala Migrants, over 90 percent of the total emigrants from Kerala migrate to the GCC States. Malapuram and Kannur send the most workers, as can be seen in the chart below.<sup>95</sup>



According to the 2007 Kerala Migration Survey, international migration from Kerala remained constant from 2003-2007, at approximately 18,500 per year. Similarly, returning emigrants numbered 8,900 in both 2003 and 2007. Since 2007, migration rates have declined due to decreased demand in receiving countries and wage increases in Kerala brought about by trade union activities and welfare associations.<sup>96</sup>

Keralites emigrated in the highest numbers to UAE, followed by Saudi Arabia, Oman, Kuwait, Bahrain, and Qatar, as the figure below illustrates. (The figure is for migrants from Kerala only.)



### The Workforce

Among Keralite workers to the GCC States, 41 percent are unskilled workers, 21 percent are skilled, and 4 percent are highly skilled; with 34 percent falling in other categories, such as professional workers. The UAE is the major receiving country of migrant workers from Kerala; and its tertiary sector – trade, restaurants, transport, communications, real estate, business, and manual and management services – is the largest employer of migrant workers from India.<sup>97</sup> Most Keralites migrating to the GCC States speak Malayalam (the official language of Kerala), Hindi, and English.

Indian migrant workers to the GCC States average 26.8 years of age, with few workers over 50.<sup>98 99</sup> Workers interviewed during this study indicated companies in the GCC States prefer workers younger than 30 years of age to reduce medical-related costs and also because older workers are perceived as less productive. The age of Kerala survey respondents varies from 25 years to 45 years.

There appears to be no seasonality to construction work contracts, since construction continues year-round in the GCC States. In the retail and hospitality sectors, demand for workers increases during the holy month of Ramadan, a month of rest for Muslims in the GCC States. Since many GCC-States residents get their vehicles serviced during Ramadan, it is a peak employment time for the automotive industry as well.<sup>100 101</sup>



Among emigrants from Kerala to the GCC States in 2007, 48 percent were Muslims, 33 percent were Hindus and the balance was Christians. Muslims, who constitute less than a quarter of the total Indian population, comprise nearly 50 percent of all Kerala emigrants to the GCC States.<sup>102</sup>

<b>Migrants by Religion, (Percent) 2007</b>			
Religion	EMI	REM	NRK
Hindus	33.3	39.9	35.7
Christian	18.5	17.7	18.4
Muslim	48.2	42.4	46.0
Total	100.0	100.0	100.0
EMI = Emigrants REM = Returning Emigrants NRK = Non Resident Keralites			

<b>Educational Level of Indian Emigrants by Percent, 1998-2007<sup>103</sup></b>			
Level of Education	1998	2003	2007
Below Primary	5.2	3.0	10.7
Primary, below Secondary	54.3	46.7	45.2
Secondary	30.0	30.9	28.8
Degree	10.5	19.4	15.3
Total	100.0	100.0	100.0

About 80 percent of the emigrants interviewed for this study from Malapuram district were Muslims whereas those from Kannur districts were half Muslim and half Hindu.<sup>104</sup>

In terms of educational level, it is generally believed that the educational levels of Kerala emigrants to the GCC States have improved considerably in recent years. However, a report by Center for Development Studies (CDS) in 2007 on Kerala migration does not support this, instead indicating that most have a primary level education without a secondary school certificate. This was confirmed in Malapuram and Kannur, the focus areas for this study. In Malapuram, about 80 percent of respondents had studied up to primary level but below secondary level; while in Kannur, 50 percent were in the primary and below secondary level and 10 percent were below primary level.<sup>105</sup>

The proportion of Keralite females among emigrants to the GCC States was 14 percent in 2007.<sup>106</sup> Male migrants from Kerala fill unskilled blue collar jobs, while female workers are mainly engaged in domestic work. Large numbers of Indian female migrants also serve as nurses, baby sitters and elderly caregivers.

The number of years migrant workers are in the workforce in the GCC States varies considerably. The current study found that workers stay in the GCC States anywhere from 3 months to 30 years. Workers who return to India may not migrate again or may migrate to a different country. Among Keralites who worked in the GCC States for significantly longer time periods were domestic workers including cooks, house servants and drivers. Those who worked in companies usually stayed about seven to ten years at a time. Some migrants worked for a few years then came back home and migrated again a few years later. This was most common among masons and carpenters working at constructions sites.

### **The Brokers**

The actors participating in the migration of workers from Kerala to the GCC States are workers, company employers, individual employers and recruiting agents or agencies. As a rule, migrant workers from Kerala must go through a recruiting agency either in India or the receiving country. Recruiting agencies vary in terms of the functions they undertake, how they are organized, their motives and the relationship each type of agent has with the employer and employee. The two major categories of agents are private recruiting agents and informal agents.



#### **Private Recruiting Agents/Agencies**

The Emigration Act of 1983 defines a recruiting agent as “a person in India engaged in the business of recruitment for an employer and representing such employer with respect to any matter relating to such recruitment including dealings with persons so recruited or desired to be recruited.”<sup>107</sup> Recruiting agents in India are also known as manpower agents/consultants, placement agencies, labor suppliers, and



recruiters. As of December 2002, there were 3,677 registered recruiting agents, operating primarily in India's five largest cities.<sup>108</sup>

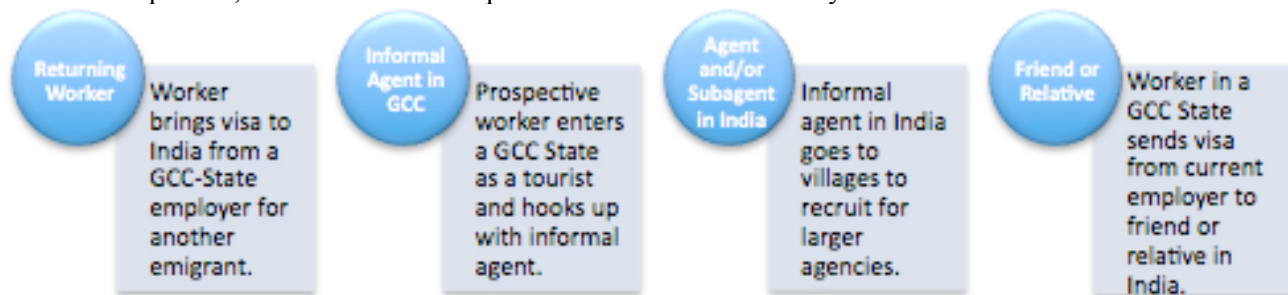
These private recruiting agencies are registered and licensed by the Indian Government. Brokers receive orders for workers from employers in Gulf countries and obtain power of attorney from employers to recruit. Brokers then publish job postings in local newspapers and also distribute pamphlets. They also have informal agents in villages who advertise job vacancies by word of mouth. These broker agencies build informational networks within most industrial sectors and also maintain online databases of workers of different skill and experience levels.

Recruiting agencies are responsible for recruiting suitable workers from among applicants and assisting them in all the legal procedures for migrating to the receiving country. The services they offer are visa processing (including emigration stamps), airline ticket arrangements, and signing of contracts with the employer. They also provide support for medical, fitness and skills tests, as required for hiring. The registered agency's/agent's job ends once the worker is hired for a job and reaches the airport of the receiving country, where s/he is picked up either by the employer or by a receiving-country broker.

Registered agencies recruit workers for an array of fields and skill levels. There appears to be no specialization of recruitment agencies; since they must be flexible to respond to demand from any sector within any country in the GCC States. In Kerala, migrants from Malapuram and Kannur traveling to the GCC States use the international airport in the nearby Kozhikode district. It is no surprise, then, that the Kozhikode district has the greatest number of private recruiting agents in the area: According to the Pravasi Malayalee Welfare Association, there are more than 260 registered private recruiting agents in Kozhikode.<sup>109</sup>

### Personal/Informal Networks

One of the oldest modes of labor migration from India to the GCC States relies on relatives, friends and other community members who facilitate the out-migration. These informal networks are still an important resource for channeling information, providing resources, and arranging legal paperwork and clearances for Indian migrant workers. At present, informal networks operate in several different ways:



A migrant worker returning home either temporarily or permanently may bring a visa from a GCC-State employer for another emigrant. This worker directly arranges for the emigration and hiring of the prospective worker and charges the prospective worker for costs incurred as well as a commission. The role of these agents ends when the worker reaches the airport of the desired country.

Prospective workers from India enter receiving countries as tourists in search of job opportunities. Those who have already established their foothold in the GCC States come to the assistance of these 'tourists' with lodging



and job search assistance. These informal agents charge job seekers for the expenses they incur as well as a commission. The role of these informal agents ends once the workers are recruited into a certain job.



There are also informal agents working for registered recruitment agencies. These agents connect workers to agencies and earn a finder's fee from the agencies for each worker hired. This fee is then passed on to the worker by the registered agency.

Some workers have friends and relatives already working in GCC States. Whenever these contacts in the GCC States hear of job openings, they obtain a visa from the employer and send it to the aspiring worker back in Kerala. They also arrange for the travel and recruitment of the workers. These relatives may charge a fee from the worker for arranging their recruitment, and stay involved in the recruitment until the prospective worker lands a job.

In Malapuram district, survey respondents had a limited understanding of the complicated processes and formalities related to emigration and recruitment. Most choose to go through local agents or private agencies that take care of everything. Even if workers go through relatives and friends, the relative or friend working in the GCC takes care of the formalities through an agent there.

In Kannur district, the most urbanized district in Kerala, almost all the respondents had more exposure to emigration processes and systems than in Malapuram. The majority of workers in the district prefer to go through informal agents and through friends and relatives to avoid perceived risks related to recruiting agencies. However, workers still use local agents in receiving countries for formal paperwork.

### **Legal and Regulatory Environment**

#### **Role of the Indian Government**

In India, the Emigration Act of 1983 governs Indian citizens abroad. It emphasizes both the welfare of the migrant population and the promotion of overseas employment.

The word 'emigrant' under the 1983 Act covers "any citizen of India who intends to emigrate, or emigrates or has emigrated", but does not include family members and those persons who have been residents abroad for more than three years.<sup>110</sup> In practice, the Act is restricted to clearances for emigrants largely to the Gulf countries and other parts of Asia, since white collar workers and software professionals destined for the US, UK, Australia, and Canada tend to stay away longer than three years. The Act applies mainly to unskilled and semi-skilled 'migrant workers', plus a few other categories, such as nurses, secretarial and hospitality staff, with the intent of protecting workers from exploitation in receiving countries.<sup>111</sup>

#### **Indian Regulations for Recruiting Agencies**

The Emigration Act, 1983 (Section 10) requires that those who wish to recruit Indian citizens for employment abroad register themselves with the Protector General of Emigrants (PGE).

The fee prescribed (Rule 7) for registration is INR 25,000 (USD 537). The Registration Certificate is valid for a period of ten years.

The applicant is required to deposit a Bank Guarantee of INR 20 lakhs (USD 429,507).

The application for registration as a recruiting agent is submitted to the Protector of Emigrants, who verifies the completeness of the application and forwards it to the Ministry along with all the documents including:

- The POE Inspection Report of the proposed office of the recruiting agent and
- The police report (RCC) on verification of character of the applicants.

Under the Act, migrants can use any one of three routes in seeking emigration clearance from the Protector of Emigrants: 1) they can process the case themselves, 2) they can go through a recruiting agent or 3) they can go through an employer, who in turn, can handle the process himself or use a recruiting agent. Theoretically, it is not necessary to use a recruiting agent, but this channel is frequently used both by job seekers and employers because it makes the migration process easier for both parties.<sup>112</sup> Workers feel agents are better equipped to deal with all the complications relating to emigration and also enjoy strong relationships with employers.

The Indian Government tried to amend the Emigration Act in 2002 and again in 2009 in favor of migrant workers, but to date the 1983 Act<sup>113</sup> remains the only legal framework in India governing migrant workers.

The Ministry conducts interviews of prospective recruiting agents during the last week of each month to assess suitability for issue of an Eligibility Letter. The interview results are displayed on the website of the Ministry immediately. The status of pending applications is also available on the site and is updated on a weekly basis.

According to the Act, a recruiting agent works under a permit issued by the Ministry of Labor, initially for a period of three years, which can be subsequently renewed. The recruiting agent is required to provide a security deposit, depending on the number of persons he is authorized to recruit, according to the following scale:

- ⇒ INR 300,000 (USD 6,482): up to 300 workers;
- ⇒ INR 500,000 (USD 10,804): 301-1000 workers; and
- ⇒ INR 1,000,000 (USD 21,608): 1,001 workers and above.

The Government also requires migrant workers to pay a fee according to the following scale:

- ⇒ Unskilled workers (INR 2,000 or USD 43);
- ⇒ semi-skilled persons (INR 3,000 or USD 65);
- ⇒ skilled workers (INR 5,000 or USD 108); and
- ⇒ other categories (INR 10,000 or USD 216).<sup>114</sup>

This fee is usually included in worker payments to the recruiting agent.

The office of the Protector-General of Emigrants (PGE), part of the Ministry of Labor, can redress grievances of migrant workers through public hearings in its eight offices throughout the country. The PGE and other senior officials hold public hearings twice a week on Tuesdays and Fridays at the Ministry of Labor in New Delhi.<sup>115</sup> The eight Protectors of Emigrants locations also hold public hearings in their respective zones where workers can go without appointment to speak with the PGE.<sup>116</sup> If Indian recruiting agents are in violation of their Terms of Appointment, the Government will suspend or cancel their license. For example, in 2001, licenses of seven recruiting agents were suspended, and, in 2002, licenses of 29 agents were suspended. A number of employers in Malaysia and the UAE have been blacklisted so they can no longer recruit workers from India.

### **Role of the Indian Diplomatic Missions and Non-Resident Indian (NRI) Community**

Indian diplomatic missions abroad have taken an active interest in the treatment of non-resident Indians. Labor attaches have been appointed in major receiving countries in the Gulf, including Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, UAE, and Yemen. Consular Officers also work as quasi labor attaches by visiting workplaces and inspecting migrant living conditions. The Indian diplomatic missions in GCC States also maintain guidelines for prospective migrants.<sup>117</sup> The NRI community also plays an important role, in conjunction with Indian Associations abroad, in helping migrant workers in distress. NRIs in Qatar and some other Gulf countries set up an Indian Community Benevolent Fund. In India, too, associations such as the NRIs Sabha, Punjab, are helping migrants, especially women to join their spouses abroad and for settlement of property disputes.<sup>118</sup> Central and state Governments also have programs to improve conditions for migrant workers. The Pravasi Bharatiya Bima Yojana-2003 a compulsory insurance plan for legal emigrants, includes payment in case of death or disability, airfare for workers whose contracts end within 3 months of starting, maternity benefits, and health benefits for dependents.<sup>119</sup>

## UAE Laws on Migrant Workers

In the UAE, each emirate does not have its own migrant worker legislation. There is one ministry of labor and social affairs operating throughout UAE enforcing a uniform labor law. Each emirate employs its own labor

### Employer Costs in UAE

- Application fee to UAE employers for labor permits for foreign workers: AED 200 (USD 54) per worker
- Within six months, the company must pay another fee of from AED 1,000 to 3,000 (USD 272 to 814) for permit approval.<sup>120 121</sup>
- Employers who do not abide by the guidelines must also pay bank guarantees of AED 3,000 (USD 814) per new worker, which the Ministry of Labor can liquidate if the employer fails to uphold the worker's legal or contractual rights, as determined by the Ministry or a court, or fails to provide a return ticket to the worker's country of origin at the end of his contract.<sup>122</sup>

inspectors to oversee workplace health and safety, workers' compensation, child labor, hours of work and leave time, but there is little evidence of its enforcement in favor of workers. A Human Rights Watch report indicated that while workers are entitled to seek a hearing before the Ministry of Labor, the availability of arbitration remains limited.<sup>123</sup>

When a labor dispute arises in UAE, a worker must notify the Ministry of Labor in writing. A ministry official will ask the employer and workers to resolve their dispute through direct negotiations. If this fails, then an official at the Ministry of Labor will arbitrate the case. The arbitrator has 30 days to resolve the conflict. If he does not succeed, the case is then referred to an "arbitration committee" within the Ministry. If the committee fails to resolve the dispute, the case is referred to the judiciary. Workers cannot directly file cases with the judiciary.

Issues such as wages and working conditions might not rise to the level of disputes needing formal arbitration if there were more labor inspectors in UAE. In 2006, the UAE Ministry of Labor announced it would increase the number of government inspectors from 140 to 1,000 inspectors within 18 months, but by June 2009, there were only 700 labor inspectors.<sup>124</sup>

The Dubai government has established two mechanisms to focus on migrant labor disputes. The first is a Human Rights Department set up by the Police that use mediation to tackle labor disputes. However, this Department has no permanent legal authority with which it can impose its decisions. The second mechanism, established in March 2005 by the Dubai government, is a Permanent Committee on Labor Affairs (PCLA) which mediates labor disputes. This Committee's members come from the Ministry of Labor, the Immigration Administrations, the Economic Department, and both the Dubai Municipality and the Dubai Police.<sup>126</sup>

According to Human Rights Watch, the Authorities at the PCLA have reported that they resolved close to 20,000 cases which involved unpaid wages between March and December of 2005 and 19,249 workers registered complaints with the committee between March and December 2005. Over this same period of time, inspectors from the Permanent Committee on Labor Affairs visited 36 labor camps. It was found that 75 percent of the labor camps were operating far below the government standards. At this time, there are no across-the-board facts and figures available that can report on the total number of cases that have been brought to the attention of all three of these entities.<sup>127</sup>

*The economic recession has led to an increase in overcrowding and ill treatment of workers at labor camps. The UAE's Ministry of Labor's Chief Inspector stated in March 2009 that some companies – in an effort to reduce expenses – increased the number of workers at their labor camps by as much as 40 percent. Companies have not added additional space for living quarters, and they have reduced the number of meals that workers receive from three a day to one.*<sup>125</sup>

In November 2006 there was an extensive revolt of Indian workers. A decree was announced at that time by the UAE Prime Minister. This decree commanded the Labor Minister to immediately put in place multiple reforms which included:

- ⇒ Adequate housing which was consistent with international standards and conventions;
- ⇒ Ensuring that a worker is safely transported to his labor sites— this included no use of open-air vehicles in very bad weather;
- ⇒ New federal labor courts that would quickly resolve labor disputes;
- ⇒ Assurance that when a worker was returning to his native country he would be adequately housed and fed before leaving;
- ⇒ When a worker was cheated on wages or had gone more than two months without being paid, the worker would immediately be released from the sponsorship of their employer, if the worker wanted to be released.

This action in 2006 also made it imperative for an employer to supply health insurance to low-skilled workers. By September 2008 Abu Dhabi ordered this type of health insurance for workers and stated they had plans to gradually implement health insurance that by 2015 would be mandatory. At this time health care in Abu Dhabi is still not adequate. There are some workers who state they must cover medication costs and hospital visits out of their salaries. Other workers have objected that unless their injury is life-threatening, it is still very difficult to access medical professionals, with only the “company nurses” being available to provide treatment at the work-site.<sup>128</sup>

A draft labor law requiring employers to pay travel costs for migrant workers, employment permits, medical exams and other administrative expenses including worker health care costs (which begin for migrant workers when they arrive in the country) was announced in February 2007 by the UAE government.<sup>133</sup>

There is no indication that reform promises have resulted in any change in the payment of recruiting fees by workers. The UAE signed an MOU on Labor and Manpower Sourcing with India in December 2006, which required that the recruitment of “all categories of workers” must “be in conformity with the laws of both countries,” and that the “terms and conditions of employment” offered by agencies to workers in India must conform to the work permit that the employer obtained from the UAE government; the employer would have no authority to change the contract conditions.<sup>134</sup>

With regard to recruiting fees, although the Ministry of Labor announced imposing fines on UAE-based recruitment agencies, no cases have been brought to light where employers have been required to compensate workers for illegal fees they paid to labor supply agencies.<sup>135</sup>

#### ***UAE Migrant Labor Abuse Enforcement Snapshot***

*In 2007, the UAE Minister of Labor closed 100 Dubai work camps, and companies were given one year to provide replacement accommodations that meet international health and safety standards.<sup>129</sup> However, in August 2008, public health authorities in Dubai stated that 40 percent of the 1,033 labor camps still violated minimum health and fire safety standards.<sup>130</sup>*

*In 2007, after legal action was taken, the government of the UAE made businesses pay AED 52 million (USD 14.2 million) in unpaid wages.<sup>131</sup> Also in 2007, permits were suspended by the Ministry of Labor, for 1,300 companies who had paid workers’ wages late. Activities were frozen or suspended for another 545 institutions that were found to be guilty of not paying wages.<sup>132</sup>*



## THE EMPLOYMENT LIFECYCLE

### *Recruitment and Hiring: Paths into Entrapment and Forced labor for Keralite Workers in GCC States*

According to results of interviews in Kerala, the recruitment process takes place in the following ways:

- ⇒ For jobs such as supervisors, administration jobs, and managerial jobs, formal recruiting agencies hire consultants to conduct interviews and select employees, since they do not have the capacity to handle these types of human resource issues in-house.
- ⇒ For skilled workers such as masons and carpenters, GCC-State employers require workers to take a skills test conducted at Trade Test Centers that are licensed by the State Government Industrial Department. Only workers who pass the skills test are recruited by agencies.
- ⇒ For unskilled workers such as household servants, helpers etc., there is no skills test required and they are directly interviewed and selected by the agencies.
- ⇒ For informal recruiting agencies, the recruitment process varies depending on the type of agent (returning worker, informal agent in GCC States, local subagent, and friend/relative), as mentioned above.

In Kerala, after the selection process, all workers are required to take a medical fitness test administered by an association of doctors called the GCC Approved Medical Centers Association (GAMCA) in India. Only doctors who are authorized members of these centers can certify worker health and fitness. Following a successful health and fitness test, the recruiting agency sends the worker's passport and visa to the Indian Emigration Department for an emigration stamp and ticket arrangements are made. While larger recruiting agencies are also authorized ticketing agents, smaller recruiting agencies may use outside ticketing agencies to arrange for airline tickets. Once everything is ready, the employer sends the employment contract to the recruiting agency to be signed by the workers before emigrating.

### **Information Dissemination and Recruitment Fees**

Information about jobs in the GCC States reaches prospective workers either through private recruitment agencies or through informal agents. Private agencies usually have a substantial database of workers who have already worked in GCC States or who are qualified to do so. If a worker profile matches a job description, they contact the workers directly to arrange for an interview. Agencies seek workers through job postings in the major local newspapers and post pamphlets showing job vacancies, the country and the salary offered. In other cases, the workers receive the information through local sub-agents in the villages. In informal networks, the information is verbally provided to the workers by informal agents, friends or relatives.

Usually, formal agents provide workers with the following information during recruitment:

- ⇒ The job title
- ⇒ The employer
- ⇒ The country
- ⇒ The salary offered
- ⇒ Information about free accommodation provided by the employer
- ⇒ Information about free food provided by the employer (in some cases)

In general, registered recruiters charge workers for their services in one of the following three ways:

1. The visa and ticket are free and provided by the employer. The recruiting agency charges a consultation fee from the workers, ranging from AED 4,000 (USD 87) to about AED 15,000 (USD 325). The medical fitness test is an additional AED 1500 (USD 32) paid by the worker.
2. The visa is provided free to the workers and workers pay for the tickets and a consultation fee to the agency. This ranges from AED 20,000 – 40,000 (USD 433-865), plus AED 1500 (USD 32) for the medical fitness tests.



- Workers pay a lump sum amount to the agency to cover the visa, visa services, tickets and the consultancy. This ranges from AED 60,000 (USD 1,298) to as large as AED 175,000 (USD 3,786). Medical fitness testing is usually included in this sum.

As a rule, with all these approaches, the entire recruitment fee must be paid pre-departure as a one-time cash payment to the recruiting agency. There is no option for later payment of fees.

The fees cited above are far above the recruitment fee ceiling stipulated in Indian law. But because there are various elements making up the bulk fee – including the recruiter’s commission, and the cost of tickets, visa, skills testing, and medical exam – it is difficult for workers to determine how much they are paying in commission, as opposed to other costs; and this also makes regulation more difficult. Welfare associations interviewed by ASK-Verité asserted that there is no government monitoring of recruitment-fee levels.

Several sources including workers’ rights NGO, new reports, and the labor attaches at embassies in Abu Dhabi (UAE) from labor-sending countries, have all reported that there have been cases of labor agencies in India or in the labor supply country that have been re-selling visas to other agencies or sub-agencies, prior to reaching workers. This has cost implications for the worker – as the price of the visa increases with every additional seller in the visa supply chain. The director of a Dubai-based manpower supply agency explained in an interview with a UAE newspaper that his agency required each laborer to pay a “visa fee” of AED 4,500 (USD 1,200), of which roughly half went to the sponsoring company “while the rest is divided between the agents” in the UAE and in the worker’s home country. However, this manpower official also noted that because of labor shortages, it was becoming more difficult to procure skilled masons and carpenters from India; and manpower firms were therefore lowering their fees.<sup>136</sup>

## Financing

Recruitment fees represent a major challenge for workers, particularly since they are economically disadvantaged. Workers scrape together the recruitment fee funds from several sources, including mortgages, sale of jewelry/property, bank loans, and borrowing from friends and relatives.

In interviews with welfare associations, workers, and recruiting agencies for this survey, no link was detected between recruiting agencies and specific moneylenders.

*In interviews with Kerala workers, ASK-Verité found that migrant workers live in constant fear of money-lenders, not only for debts incurred in paying recruiting agents for job placement in the GCC States, but also for loans for dowries, marriage expenses, etc.*

*Another social pressure in Kerala is to build large houses, which require additional loans from the moneylender. This vicious lending cycle causes workers to return to the GCC States again and again, and contributes to their acceptance of exploitive working conditions.*

Many workers mortgage their properties such as houses, land and jewelry either to banks or loan sharks with the hope it can be recovered. Loans may be repaid in a lump sum or in installments of equal or unequal amounts depending upon the agreement. Repayment terms are decided at the time of the loan and vary depending upon the lending source and the amount.

Private banks in Kerala provide personal loans readily to workers going abroad, at an interest rate between 13-20 percent per year. There are fixed payment increments that the worker has to deposit every month to these banks from their salary. The loan repayment period varies, depending on the

amount, but in general the loans are for two to six years.

Many workers borrow money from friends and relatives, particularly when the friend or relative arranges for the workers’ emigration to the GCC States. In this case, repayment terms are very flexible and often include no interest. In the survey on workers from Kerala undertaken for this report, respondents indicated their financing

preferences as follows: 1) sell jewelry, 2) borrow money from friends and relatives, 3) bank loans, and 4) mortgage property. Loan sharks were not among the preferences mentioned, although in practice workers do resort to borrowing from these entities.

### Contracts

All legal Indian workers sign an employment contract to work in the GCC States. When the employer is a company or individual recruiting through private recruiting agencies or agents in India, the contract is signed prior to the departure. If the worker goes through an informal network, the contract is signed upon arrival in the respective country.

According to Kerala recruiting agencies interviewed, the following elements are included in the contract:

- ⇒ Payment details
- ⇒ Accommodation details
- ⇒ Benefits offered
- ⇒ Working hours
- ⇒ Overtime policy
- ⇒ Rules and regulations of the respective country
- ⇒ Clauses for breach of contract

In discussions with workers in Kerala, however, workers are only aware of payment details; and stated that information regarding the consequences of violating the terms of the agreement, in particular, was not disseminated to the workers at the time of recruitment. Recruiting agencies posited that workers are not interested in this kind of information--they only care about the job description and the salary. Regarding payment details, ASK-Verité also found that information regarding salary conditions might not be complete. For example, a driver interviewed by ASK-Verité was told that he would receive a commission over and above his pay, for daily vehicle usage. However, he later learned that he was responsible for fuel costs out of his own salary. The cost of fuel wound up being more than his commission.

The contract is in English in most of the cases while in some cases both Arabic and English contracts are available. In interviews with Kerala workers, we found that while workers have a minimum level of education, they find it difficult to understand the contents of the contract, and are not offered an explanation either by the recruiting agent or the employer. When the contract signing takes place in India, it is either at the airport or directly before. According to the associations and recruiting agencies interviewed in Kerala, the worker is given little time to go through the details of the contract before signing. One of the local agents shared that workers are asked to sign the contract only on the departure day, when they are not in a position to read the contract thoroughly. Thus workers miss out on crucial sections such as the rules and regulations and clauses regarding contract violations. Nor do workers receive a copy of the contract once it is signed. When the worker signs the contract in the receiving country, it is at the time of receipt of the work permit (known as Batakah in UAE and Hakamah in the other Gulf countries).

At the time of signing, labor abuses can occur. A Human Rights Watch report states that companies may threaten to deport workers if they refused to sign.<sup>137</sup> Since workers have already paid large fees to manpower agencies, they are not in a position to bargain over these contracts. In interviews with Human Rights Watch, an Abu Dhabi National Hotels employee said, “they made us sign them on the bus on the way from Dubai airport at four in the morning;” and a Leighton employee said that when his group of workers arrived, “We had to sign three or four copies [of the contract] really fast, they just flipped up the bottom of the pages where we signed.”<sup>138</sup> Thus there was no person available to read the contracts or to ask for an explanation of the terms.

The same Human Rights Watch study also found numerous cases of workers being asked to sign or fingerprint a blank sheet of paper, and being told that the company would fill it in later. Workers shared that they were worried that their employer could use this blank paper to cause them difficulties if they voiced complaints about their conditions at work or asked for higher wages.<sup>139</sup> While how these blank pages are used is not clear, it does appear that sometimes the employer is able to use them to avoid paying the “end of employment gratuity”. This is one-

time payment that a worker receives depending on how long they work for the employer.<sup>140</sup> Workers are required to sign a paper when they get this gratuity, and their sponsoring employer also has to give their signature to the Ministry of Labor when the sponsor cancels the employee's work permit.<sup>141</sup>

## Visas

Recruiting agencies handle the paperwork involved in obtaining visas for workers going to the GCC States. Some agencies specialize in providing visas and services to workers who obtain visas through informal channels. The procedure for verification of documents such as passports, visas, medical test records and skills test records varies by receiving country. In Saudi Arabia, the visa comes first and then the verification of the documents is performed; whereas in most other countries in GCC States, the documents are first verified and then the visas are sent from the employers.

In principle, the visa cost is shouldered by the employer, but in most cases the worker pays the recruiting agency directly for the visa. As mentioned above, since there is usually no breakdown by category of recruiting agency fees, workers have no idea how much the visa costs. Interviews with welfare associations in Kerala reveal that not only do agencies charge workers for visas, but also for airfare, even though GCC States the employer is required by law to pay this expense.

Visas are provided for a specific type of work and by law, if a worker wishes to change jobs, they must get a separate visa for the other job. According to survey respondents in Kerala, however, many employers purchase visas from their government for various work categories and recruit workers with any visa they happen to have at hand. Once the worker reaches the destination country, the visa is adjusted to correspond to the actual position. In Kerala, this arrangement is commonly called a “Free Visa”. With this type of visa, workers are free to do any category of work for the employer. Survey respondents in Kerala also indicated employers share workers by keeping the work visa in place even if the worker takes a job with another company. In this case both the worker and employer have more flexibility. As mentioned above, this scenario is illegal, and if caught, employers receive a hefty fine and the worker is deported.

### **Case Study: Forced Labor in Dubai**

#### **Background**

Hrishi, 30, is a former jewelry store owner from Talecherry in Kannur district. Almost all the families in his village have two to three family members working in the GCC States, and have large houses to show for it. In the Kannur district, workers often go to the GCC States with a “free visa”, wherein they can work a range of jobs once they arrive. Hrishi still had debts from the closure of his jewelry store, and decided to go to Dubai. He paid a recruiting agency INR 1.3 lakhs (INR 130,000 or UDS 2,813) for his visa, airline ticket and free visa. Hrishi took out a bank loan to pay the recruiting fee, and left for Dubai. Upon arrival, no one was there to greet him and he could not get through to the recruiting agency in India. A stranger came up to him in the airport and said he was an agent who could find Hrishi a job. He was taken to a room in a basement with about 50 other people who had similar stories. When Hrishi tried to leave, he was forcibly restrained, his passport taken and made to work odd jobs for around INR 3,000 (USD 65) per month. Hrishi also endured physical and emotional abuse. After six months, while working at a supermarket, Hrishi escaped and a friend who worked in a shipping company helped him get back to India. When he returned, he tried to get his money back from the recruitment agency to no avail.

#### **Current Situation**

Hrishi currently works in a jewelry store in Kerala and still has debts incurred from his disastrous trip to Dubai. He hopes to go to Dubai soon through a reputable recruiting agency so he can pay back the money he owes.

Worker awareness of visa regulations is low, which inhibits their ability to insure their paperwork remains in order. Visas and work permits generally must be renewed at regular intervals according to GCC State laws. In the UAE, one study found that, while the employer is supposed to cover this expense, they often charge workers through pay deductions.<sup>142</sup> ASK-Verité's interviews indicated that employers may decide not to renew the visa if

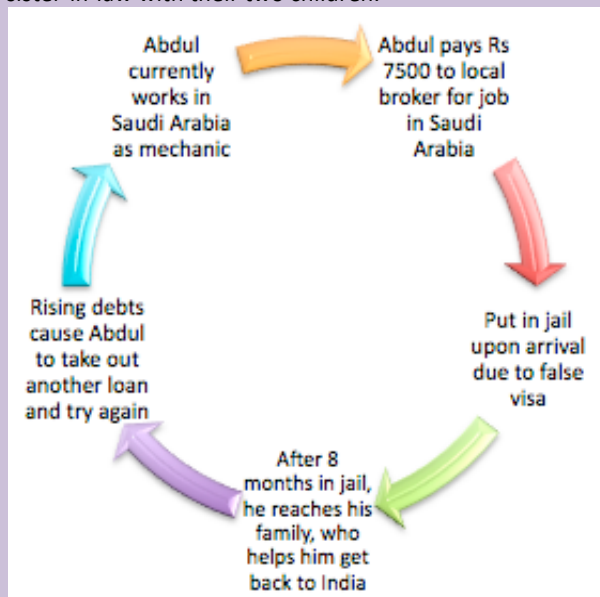
the employer is unhappy with the worker – thus rendering the worker illegal; or the employer may intentionally fail to renew a worker’s visa and then force that worker to accept poor working conditions, using the threat of imprisonment as a “stick.”

The threat of imprisonment is unquestionably real: An astounding 20 percent of Kerala survey respondents reported having landed in jail in their respective receiving countries due to problems related to visas and work permits; with the average time spent in jail ranging from one to eight months. The Indian Embassy generally assisted in their release. While it is highly unlikely that a full 20 percent of all Keralite workers in GCC States spend time in jail associated with visa and work permit difficulties<sup>143</sup>; the fact remains that 20 percent of our sample had spent time in jail – and we believe it is reasonable to conclude from this finding that the threat of imprisonment is legitimate for workers in GCC States, and that actual imprisonment for visa and work permit troubles should be considered an issue of concern.

#### **Case Study: False Visa for Worker in Dubai**

##### **Background**

Abdul, aged 33 years, is from a small village in Malapuram district. Currently working in Saudi Arabia, he reported to ASK-Verité about his experiences when a recruiting agency provided him with a false visa. Abdul worked as an auto mechanic in his village, but saw when neighbors return from the GCC States they could build large houses and throw lavish weddings, so he decided to earn money for his extended family, including his mother, wife, brother and sister-in-law with their two children.



Abdul’s path to the GCC States began with a local broker, a reputed ex-army official in Malapuram. The broker told Abdul it would cost Rs 75,000 (USD 1,622) for visa and ticket expenses to work in Dubai. He was instructed to go to Mumbai to meet with a recruiting agency associated with the agent in Malapuram, who interviewed and quickly approved him for a mechanic position in Dubai. He was told to pay the recruitment fee directly to the local agent in Malapuram. He borrowed the money from a bank and gave it to the local broker, but received no receipt in return. Since the broker was a trusted member of the community, Abdul was not concerned by this. His paperwork was quickly arranged, and he went to Mumbai to sign the employment contract, which was in English. Since he did not understand English very well, he did not read the entire contract.

##### **Arrival**

When Abdul arrived at passport control in Dubai, authorities immediately arrested him for using a visa that had already been used by someone else. Unfortunately, the officials only spoke Arabic, so Abdul was unable to explain what had happened. Abdul was not allowed to contact his family or the recruiting agency, and stayed in jail eight months until a prison guard of Punjabi descent took pity on him and helped him send a letter to his

family. Abdul's family, who had thought he was dead, immediately contacted the Indian Embassy in Dubai. His family had to pay the Dubai Government Rs 22,000 (USD 476) to cover Abdul's expenses while in prison. Abdul's family again borrowed money and he was sent back to India. Although Abdul tried to find the local agent, he had disappeared. The recruiting agency in Mumbai denied knowing him, and Abdul had no proof he had paid the recruitment fees.

#### *Current situation*

Abdul's huge debt made him strike out again for the GCC States. He took out another loan of Rs 60,000 (USD 1,298) and currently works in Saudi Arabia as a mechanic. He earns Rs 8,000 (USD 173) per month and sends back Rs 6000 (USD 130) to his family each month.

## **Transport**

Prior to departure, workers are not provided with any job training, although semi-skilled workers are required to take a skills test at the Trade Test Centers mentioned above. Once a worker pays the recruitment fee, it usually takes about a month to complete all the legal formalities related to visas, travel, and testing. There appear to be no delay for workers to begin working once in the GCC States; although payment could be delayed, as discussed below.

Most workers from Kerala use the international airport in Kozhikode district to reach their GCC-State jobsites, but some use the international airport in Mumbai, which has direct flights to most GCC States. Since many recruiting agencies in India are also licensed ticketing agencies, they handle the ticket arrangements for workers. Smaller agencies may use other licensed ticketing agencies. Where workers make arrangements through informal networks, they handle their own ticketing arrangements through licensed ticketing agencies readily available in Kozhikode, Malapuram and Kannur. The workers travel alone to the destination countries.

## ***On the Job: Mechanisms of Coercion and Subjugation/Enslavement***

### **Reception and Job Assignment**

Upon arrival, depending on the recruitment method, the worker is greeted by a local agent, an employer's representative, or friends and relatives. Some recruitment agencies have workers wear a cap with their logo so they can be easily identified. ASK-Verité found some cases among Kerala survey respondents where no one picked them up at the airport and later the employer refused to hire them. In some cases, workers were put in jail because the recruiting agent provided a falsified visa or improper documents. A few of these situations are highlighted in the case studies below.

#### ***Case Study: Deceptive Recruiter***

##### ***Background***

Ahmed, a 40-year old driver from a small village in Malapuram, had irregular income and a daughter that would need a dowry of approximately INR 400-500,000 (USD 8,654-10,818) in a few years. He decided to work in the GCC States to earn money. He went to a recruiting agency recommended by a good friend and paid INR 60,000 (USD 1,298). He borrowed money from his sister-in-law, who sold her jewelry to finance his journey. The recruiting agent found him a job in Riyadh as a driver for INR 9,000/month (USD 195) plus food and lodging. He was told he would sign his employment contract once in Riyadh.

##### ***Arrival***

Once in Riyadh, Ahmed went directly to his employer's house, where he signed a three-year employment contract for INR 8000 (USD 173) per month, which was INR 1000 (USD 22) less than originally promised. He figured if he worked hard the amount would go up so he signed the contract and was provided with his work permit. Ahmed worked 12-14 hours per day, and was subjected to verbal and physical abuse from his employer. In addition, his employer refused to pay him for eight months, saying he had to reimburse the employer for the visa and airline ticket. Since the employer had his passport, Ahmed was unable to leave and work somewhere else. He told the employer he had family problems, so the employer sent him back to India.



#### *Current situation*

Ahmed currently works as a driver in his village on commission. His income is irregular and he still must repay his debt and pay for his daughter's dowry and wedding. He is considering returning to the GCC States.

### **Wages and Hours**

Workers' wages are broken down into a basic salary and overtime pay, with some companies also providing food allowances. The basic salary covers eight working hours per day. Workers interviewed by Human Rights Watch said that one to two hours of unpaid breaks were interspersed among these eight hours. These workers also stated that they work overtime for an additional two hours each day, which brings their total time at work up to 12 hours per day. In addition they travel another hour each way, back and forth to work.<sup>144</sup>

Survey respondents from Kerala indicated that the contract terms and actual conditions differed substantially, particularly with regard to food, lodging, and salary. For example, although the contract usually states that food is supplied free by the employer, Kerala workers indicated it is usually not free. Further, fifty percent of the Kerala workers surveyed indicated the salary stated in the contract was much higher than what they actually received. Many workers, for example, reported having signed a contract for INR 12,000-15,000 (USD 260-326) but were actually provided only INR 6,000-8,000 (USD 130-173). One survey respondent said every month INR 1,000 (USD 22) was deducted from his salary to cover visa and ticket expenses.

#### ***Case Study: False Contract Promises in Saudi Arabia***

##### *Background*

Imran, 28, wanted to become a driver in the GCC States because his father had worked as a mason in Dubai. Imran's family had built a large house, for which the family was still in debt. Also, Imran was ready to start thinking about marriage. In Kannur, making a good marriage match is difficult if the groom has not gone to the GCC States, and in fact all Imran's friends were already working there. Imran paid INR 70,000 (USD 1,512) in recruitment fees to a manpower agency and was informed he would work as a driver for an individual for INR 12,000 (USD 259) per month with an incentive to earn more. He signed the contract before departure, which included the salary, an incentive to earn more and free food and lodging. Upon arrival, he began working long hours and had to pay for fuel from his own pocket. He was paid half the salary written in his contract, and after subtracting fuel costs, he made nothing. He appealed to the recruiting agency, who said it was not responsible if the employer breached the contract. He decided to return to India, and since he had broken his work contract, he had to pay for his own return ticket.

##### *Current Situation*

Imran is a driver in Kannur, but the work is irregular and he hopes to return to the GCC States to earn money like his neighbors.

The Pravasi Malayalee Welfare Association has stated that working hours are often much higher than what is stipulated in the worker's contract. In addition, overtime practices are not standardized--some employers pay 150 percent, some 100 percent, and according to personal experiences of survey respondents, some do not pay extra for overtime hours at all. According to the UAE Labor Law, employers should pay overtime at 1.25 times the basic hourly salary,<sup>145</sup> but many employers of workers pay overtime at the same or even at a lower rate than the workers' basic salary.<sup>146</sup>

### UAE in Focus

According to UAE Labor Code Article 56, workers employed on a yearly or monthly wage basis shall be paid at least once a month; all other workers shall be paid at least once every two weeks. Article 57 states that the daily wage of workers employed on a piecemeal basis shall be calculated as an equivalent to the average wage received for actual days of work during the six months preceding the termination of his service. Laws also allow workers who are not paid for more than two months to seek work with new employers without having to obtain the former employer's consent. In a Human Rights Watch report on labor practices in the UAE, nearly every worker interviewed reported having unpaid and late wages. It appears to be the customary practice of employers to withhold the first two months of workers' wages as a "security deposit" to prevent workers from fleeing. One ASK-Verité survey respondent was not paid for eight months. According to the chief UAE Ministry of Labor inspector, "late payment and reduction in wages are the most two consistent violations" of workers' rights today. Many foreign workers have substantial debts at home, so being paid regularly, and on time, is very important.

There has been a sharp rise in litigation of cases in the UAE resulting from contractors not being paid, indicating that construction firms in particular are being hit hard by the global economic recession. Indian workers began protesting non-payment of wages in great numbers in 2005, when over 1,000 workers marched in downtown Dubai to highlight non-payment of wages. Nonpayment of wages continues to be a major problem in the UAE for Indian workers.

In the past five years disgruntled workers in GCC States have protested low pay and poor working conditions. For example, seven hundred and fifty Indian, Pakistani and Bangladeshi workers at Almoayyed Contracting's East Eker labor camp refused to return to work until their pay was increased to 85 dinars a month from their current salary of 60 per month. In 2008, thousands of Arabtec workers employed at the site of Burj Dubai, the world's tallest building, participated in the most well known strike in the GCC States. For close to two weeks, until their demands were met, they refused to return to work.<sup>147</sup>

### Methods of Payment

The following table shows the major payment methods available for migrant workers in GCC States.<sup>148</sup>

Country	Payment Types	Clearing System
Bahrain	Checks, funds transfers, ATM payments.	Check clearing system with same day settlement capability for large value checks. ATM network managed by the central bank. Image-based check clearing to be introduced.
Kuwait	Checks, funds transfers, ATM and POS payments.	Manual clearing of checks.
Oman	Checks, funds transfers, ATM payments.	Manual check clearing through central bank.
Qatar	Checks, funds transfers, ATM and POS payments.	Interbank transfers and same day clearing of checks. Switch links all local banks and also connects to GCCNet, Iran, Egypt and Lebanon.
Saudi Arabia	Checks, funds transfers, direct debits, EBPP, ATM and POS payments.	The central bank (SAMA) provides electronic check clearing, electronic transfers and direct debits, ATM and POS transactions, and electronic bill viewing and payment.
UAE	Checks, funds transfers, ATM payments.	Check clearing system, upgraded to check imaging system in 2008. Central bank manages interbank payments through secure network.

All Kerala survey respondents were paid in cash or by account transfer. However, workers were not provided with a copy of their payment slip.

#### **UAE in Focus**

In June 2007, the Ministry of Labor and Central Bank in UAE launched a wage protection scheme which requires employers to set up bank accounts for workers and transfer workers' salaries directly into these accounts, with the goal of ensuring wages are paid on time for the total number of hours worked. Over 65 percent of UAE banks have been licensed by the Ministry of Labor for the wage protection system; but according to news reports, by January 2008, more than 90 per cent of the 250,000 companies in the UAE had still not opened employee bank accounts.

#### **Withholdings**

Among Kerala worker survey respondents, 40 percent reported salary withholdings by employers. Those working for individual employers as driver and household staff are particularly vulnerable; and it is not uncommon, according to interviewees, to have no payment for six to eight months after the job begins. One survey respondent who inquired why he was not being paid was told his visa expenses were being deducted from his salary. Survey respondents also indicated both individual and company employers also routinely deduct for visa and work permit renewals, although this is supposed to be covered by the employer. Often, employers deduct for food when free food is included in the benefits package.<sup>149</sup>

There is no worker penalty for early termination of contract, although if it is the worker's choice, the employer is not obligated to pay return airfare to India. Survey respondents indicated that employers are motivated to pay return airfare both for workers they no longer need as well as employees who quit, avoiding paying the heavy fines related to "absconding" workers. Over 70 percent of Kerala survey respondents received return airfare from the employer. However, when there were visa or work permit issues, workers paid their own airfare back to India. Illegal workers who were caught and jailed were provided return airfare by the Indian Government.

ASK-Verité interviews found that there are rare cases where workers get their recruitment fee back from the recruitment agencies when they do not get the promised job in the concerned country or are cheated by the employer. But this happens only if the worker returns within three months of departure and has strong political influence in the local area.

#### **Case Study: A Worker Gets His Money Back**

##### **Background**

Ali, an unmarried 30-year old man from Malpuram, worked as a driver in Tallecherry. Ali aspired to go to the GCC States like his father, who had worked there for 15 years, and his brothers, who had both worked there and now owned their own taxis. Ali decided to follow suit and saw a vacancy for a driver in Dubai in a local newspaper. The recruiting agency was not familiar to his family, but since there weren't many driver jobs at that time, Ali decided to apply for the position. He paid INR 60,000 (USD 1295) for his visa and tickets, which he borrowed from his brothers.

##### **Arrival**

Ali wore a cap from the recruiting agency so he could be easily spotted once he landed in Dubai. However, no one came to the airport to meet him. He called the agency and was told to contact the employer directly, who did not answer. At that point the agency stopped answering too. Ali borrowed money from his brothers and returned home, with a desire to teach the recruiting agency a lesson. Once home, he gathered together a large group of people which included several powerful figures in the community and confronted the agency, saying

they would destroy everything if Ali did not receive the money he was owed. Ali got the entire recruitment fee back due to his powerful connections.

#### *Current Situation*

Ali bought a vehicle and is working in the tourist cab service. He plans on returning to the GCC States soon with a free visa.

### **Freedom of Movement**

Freedom of movement is severely restricted in GCC States, primarily because workers must provide their passports to employers to receive a work permit. Workers are not permitted to work for other employers, and those who try to work illegally are often caught and jailed. International rights groups' condemn the confiscation of passports, as it violates a worker's right to freedom of movement.<sup>150</sup> UAE laws on immigration allow and even encourage employers to confiscate worker passports, since the sponsoring company is fined if one of its workers is discovered working for another employer, unless the sponsor has previously requested the cancellation of his work visa. The process to deport a worker who has departed to secure a better job can be activated by an employer if s/he requests the Ministries of Labor and Interior to revoke the worker's work permit and residency visa. This then makes the worker's continuing presence in the UAE illegal.<sup>151</sup>

Of Kerala workers interviewed for this report, 100 percent had their passports confiscated. A 2009 Human Rights Watch report indicated this practice is nearly universal. Some workers, for example, reported to Human Rights Watch that companies refused to return their passports to allow them to attend relatives' weddings or funerals in their home countries.<sup>152</sup> One group of workers on Saadiyat Island reported their employer told them that they could not quit and receive their passports without paying a large fine (which the company deducted from the workers' legally-mandated bonus, to be paid at the end of their contract).<sup>153</sup>

### **UAE in Focus**

#### ***Tying the Worker to One Workplace: The Sponsorship System in the UAE***

A critical element of the recruitment process for workers bound to the UAE, fostering a vulnerability to forced labor, is the requirement that all workers who want to work in the UAE must have a sponsor in the respective country (either an individual or a company), and obtain a work visa to work for them. Foreign workers in the UAE are subject to a sponsorship (or "kafala") system that places them in a highly dependent relationship to their employers.

The process to sponsor workers starts when the Work Permit Department of the Ministry of Labor receives an application from a company in the UAE to obtain the permits it needs for foreign workers it hopes to hire. These applications must be completed by the company within six months.<sup>154</sup> Once a company can demonstrate it has begun the work permit process, it can work with the Immigration and Residency Department, in the Ministry of Labor, which can issue an employment visa to the company enabling them to sponsor workers to come into the UAE for up to 30 days.<sup>155 156</sup>

The company transfers this visa to a labor supply agency, either in the UAE or in India, which arranges to supply the required number and types of workers – for example, unskilled laborers or semi-skilled masons and carpenters.<sup>157</sup> In order to encourage companies to diversify their workforce, the UAE labor ministry regulations have enacted higher visa fees for workplaces with less diversity.<sup>158</sup>

Once a worker arrives in the UAE on the basis of his employment visa, the company, as his sponsor, takes his passport and work permit to the Ministry of Interior Immigration Department. The Ministry stamps the worker's passport with a residency visa that includes the visa's date of issuance and validity period of up to three years,

the worker's picture, profession, and employer.<sup>159</sup> It is also necessary to obtain a Labor Card. An application for a Labor Card must be submitted to the Ministry of Labor & Social Affairs within 30 days of the employee's entry into the country. These formalities should be completed within 60 days of the arrival of the employee in UAE.<sup>160</sup> One hundred percent of Kerala workers surveyed had their passports withheld, initially in conjunction with this registration process; but the passports were not returned to workers until their contracts ended.

Should a foreign worker in the UAE's construction industry quit or have their contract end, their employer will ask the Ministry of Labor to cancel the worker's labor card. Once cancelled the employer is able to take that worker's passport to the Ministry of the Interior, which then cancels the worker's visa. The worker's passport is also stamped by the Ministry, banning them from returning to the UAE for six months. The Ministry also arranges for the worker to be deported to his or her home country.<sup>161</sup> A fine is levied on any foreign worker who is still in the UAE more than two months after having their labor card cancelled.<sup>162</sup> **A worker is considered to be illegally in the UAE if s/he leaves their original sponsor, and without having the permission of that sponsor and the consent of the UAE government, obtains other work.** Being in the UAE illegally can be punished by deportation and being automatically banned from returning to the UAE for one year.<sup>163</sup> If the original sponsor fails to report the worker who takes off they will be fined AED 50,000 (USD 13,624),<sup>164</sup> and the new employer will also be fined and prohibited from receiving work permits from the Ministry of Labor until they dismiss the employee.<sup>165</sup> With such high fines, an employer will sometimes decide to pay for the employee to fly home, even if they quit, making sure the worker is not staying in the UAE illegally.<sup>166</sup>

The laws in the UAE make it very challenging for workers who change employers in the construction sector to find a new job that is legal. This is a process that is known as "transferring sponsorship". In 1980 a law was passed in the UAE that said in situations where their employer does not honor the worker's contract or legal obligations the worker is allowed to quit without notice.<sup>167</sup> But, those in the construction sector do not belong to a category of workers who can transfer their sponsor. Therefore it is not clear if they could obtain other work, even if they had an abusive employer.<sup>168</sup>

If a foreign worker wants to transfer their sponsorship they are currently required by law to get the consent of their original sponsoring employer and also pay fees that are much more than what a typical construction worker could pay. This does not apply if their original employer didn't pay them for two months.<sup>169</sup> If that happens, then the worker doesn't need to get a "no objection" certificate from the employer they were originally working for, however, their new sponsor still has to apply to become their sponsor and the worker also has to give a report to the inspection department.<sup>170</sup>

According to a Dubai-based manpower agency, "it is becoming increasingly difficult to obtain permission from the Ministry of Labor and the Ministry of the Interior for the transfer of sponsorship regardless of the fact that the existing employer agrees to the transfer."<sup>171</sup> ASK-Verité interviews with manpower agencies in Kerala confirmed that the transfer process is complicated and time consuming, with workers unable to do it alone.

## Isolation

In many cases, construction sites for hotels, public works, shopping centers, and service stations are sixty to seventy kilometers from the worker's company-supplied lodging. Workers usually stay in large groups in extremely confined quarters. Kerala workers interviewed indicate they prefer to stay together for reasons of security.

English and Hindi are used at the workplace, so workers have no trouble interacting with managers and supervisors. Individual employers use interpreters to speak to workers. Many workers interviewed for this study had spent many years in GCC States and speak Arabic well. Workers keep in touch with their families by phone, usually on a weekly basis.



Outside the workplace, however, language is a barrier, particularly if the worker is picked up by the police or labor department due to paperwork discrepancies. In this instance, workers are not provided with translators and may spend many months in prison without the ability to contact family, as one of the case studies below describes.

Grievance mechanisms are not readily available to workers. For a formal complaint, workers must submit a written complaint in Arabic on official forms. Since many workers are illiterate in any language, they must first approach a “typing company” before submitting their complaint. In cases where the complaint relates to breach of contract, the worker may submit it to the complaints office of the Ministry of Labor in the emirate that originally issued his work permit. There is one complaint office in Abu Dhabi, in Moussafa, and one more in Dubai.<sup>172</sup> Friday, a holiday in all Islamic countries, is the one day per week most workers have off. However, since the Complaints Department of the Ministry of Labor and the Shari’a Court are closed on Fridays, this also means that workers have virtually no access to grievance mechanisms should they wish to protest their working conditions.

### **Fear and Violence-Actual or Threatened**

As described above, passport confiscation and work permits tied to a specific employer cause workers to live at the mercy of the employer. If the employer fires them and refuses to return their passport, they are at high risk of imprisonment. This atmosphere of fear of retribution discourages workers from advocating for their rights. They accept salary and working conditions well below their contract terms. Among Kerala survey respondents, several workers who demanded fair treatment from employers were fired and sent back to India.

Eighty percent of the Kerala workers interviewed reported verbal abuse from supervisors and bosses in the GCC States, particularly with individual employers. Physical abuse and harassment were also reported by respondents.

Those working for informal agents in the GCC States have an even more difficult time. The welfare agencies interviewed for this report indicated it was common for Indian workers to endure abuse and harassment. Fear of losing their job stops workers from complaining, particularly since they often owe large sums to banks, moneylenders or family back in India.

### **Working Conditions**

The ASK-Verité study did not collect information on housing and working conditions. Information on this topic is offered exclusively from two reports published by Human Rights Watch on the experiences of construction workers in the UAE.

Working conditions for construction workers are particularly difficult. Workers spend up to 12 hours per day at the worksite, often in extreme conditions of heat and humidity with temperatures often exceeding 100 degrees Fahrenheit (38 degrees Celsius).<sup>173</sup> According to the Dubai chapter of the World Safety Organization, heat stroke and dehydration are the most important health issue facing construction workers. For example, 5,000 construction workers per month were brought into the accident and emergency department of Rashid Hospital in Dubai during July and August 2004 due to heat-related illnesses.<sup>174</sup> Although the UAE Ministry of Labor banned outdoor work between 12:30 p.m. and 4:30 p.m. in 2005, government inspectors found over 60 percent of employers openly ignored the decree.<sup>175</sup>

According to Human Rights Watch Report, workers live in unhygienic conditions crowded into very small rooms. A typical dwelling was 12 feet by 9 feet in which as many as eight workers lived together. Three or four double bunk beds represented the only furniture in each room. The workers used communal bathrooms and showers outside their rooms.<sup>176 177</sup>

By law, Abu Dhabi employers and business owners must provide health insurance coverage for employees, including all non-UAE nationals and their families.<sup>178 179</sup> In reality, workers medical needs are routinely ignored, and health and safety rules not enforced.<sup>180</sup>

If a worker wishes to seek medical attention, they lose a day of pay, and the out-of-pocket expense for the doctor visit will likely exceed the worker's pay for that day. Most companies require a doctor's certificate for health-related absences, or the worker is docked two days' pay for one day's absence. Many doctors are reluctant to sign certificates in the first place.<sup>181</sup>

Further, there is a significant discrepancy between the UAE government figures and private sources regarding the annual number of dead and injured workers. In 2005, the labor undersecretary at the Ministry of Labor revealed the government has no comprehensive data regarding who and how many migrant workers are injured or die on the job.<sup>182</sup>

#### **Case Study: Harassment and Abuse in Kuwait**

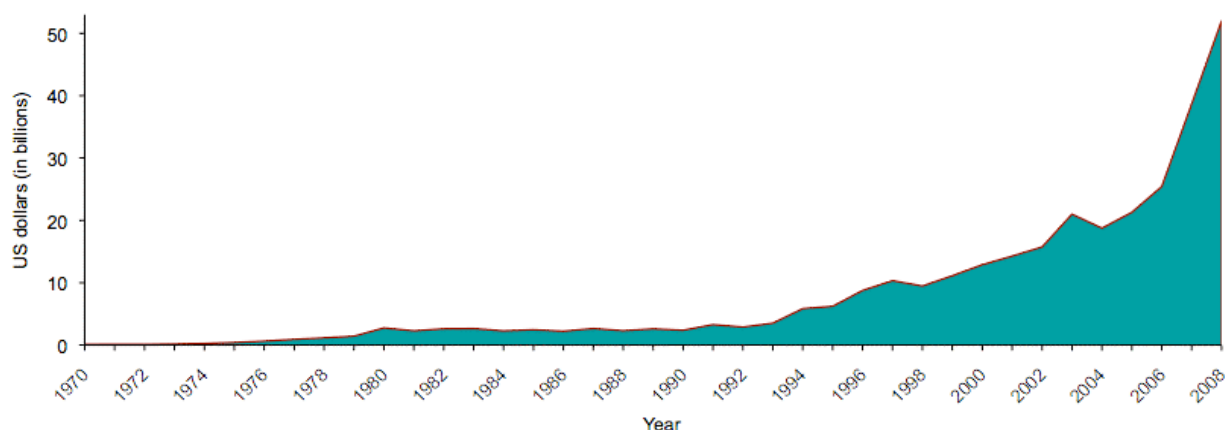
##### **Background**

Rahim, 30, was a cook in Malapuram who wanted to work in the GCC States so he could buy a home and land for his family. He sold his wife's jewelry to pay a recruiting agency in Kohikode INR 70,000 (USD 1,511) to arrange a job at a catering company in Kuwait. He signed the contract at the airport just before departure that stated a salary of INR 12,000 (USD 259) per month. Rahim's supervisor in Kuwait harassed and beat workers regularly, and Rahim's salary was only INR 9,000 (USD 194) per month. He stayed in a company dormitory room with 14 other workers. There were 100 workers in the dormitory with only one toilet. Rahim encountered discrimination when out on the street and once was hurt when a group of Kuwaitis surrounded his bicycle and spit and pushed him over. Rahim quickly became disenchanted with working in Kuwait, but remained there due to his large debt. After working for two years he returned to India, sold his wife's jewelry and opened a small restaurant.

#### **Remittances**

Despite the economic crisis, in 2008 India received approximately USD 52 billion in remittances from migrant workers, which made it the top remittance country in the world.<sup>183</sup> In fact, Indian remittances were 15 percent of total global remittance inflows and constituted 3.3 percent of its Gross Domestic Product for the year. Most remittances take place through conventional channels such as Western Union and Moneygram, but online money transfer is gaining momentum.<sup>184</sup> It is estimated that Non-Resident Indian remittances from GCC States exceed USD 10 billion yearly (including remittances by formal and informal channels in 2005-2006).<sup>185</sup>

#### **Remittances to India, 1970-2008<sup>186</sup>**



A case study of Gulf migrants from Kerala conducted in 2002 noted that remittances accounted for 24 percent of the state's total income in 1997-1998, and since such a large percentage of the population is migrant workers, the state's income exceeded the national average by 50 percent by 1999.<sup>187</sup> Indirect benefits have been seen in Kerala, Punjab and Gujarat, as some of the remittances have flowed into development projects and social infrastructure, although they have been largely utilized for consumption-oriented activities.<sup>188</sup>

Kerala workers surveyed for this report indicated they have full control over their remittance money and use mainly bank transfers and formal and informal money transfer agencies (referred to as “money exchangers”). The recruiting agency and employer are not involved in remittance transactions. Many workers use more informal remittance methods, such as depositing money in a relative's account in India, who delivers the funds to the worker's family. Another informal method used is local agents, whereby a worker in the GCC States gives the money to a local agent, who in turn informs a local agent in India of the amount to provide to the worker's family. Once the worker confirms receipt of funds by his family, he pays a commission of five to six percent to the local agent.

## CONCLUSION

Keralite workers seeking employment in GCC States are at high vulnerability to situations of forced labor once they arrive in the host country. This vulnerability stems from a variety of factors, both independent and in combination. The high fees charged by labor brokers lead workers to take on large amounts of debt – this, in turn, forces them to accept job conditions in the host country that are contrary to what they had been promised. While there is a legal ceiling on recruitment fees in India, this ceiling is not enforced, and rogue recruitment agencies operate with practical impunity.

Another disturbing issue is the prevalence of fraudulent recruitment practices, including the use of false visas and work permits, and charging workers for jobs in the host country that do not exist. ASK-Verité found many stories of workers who arrived at the host country expecting to be met by a company escort, only to be left stranded at the airport, or – worse yet – picked up by immigration authorities for a forged visa.

Brokers also regularly misrepresent the terms and conditions of jobs, thus creating a situation in which a worker incurs debt expecting a certain level of income that does not materialize.

Once on-site in GCC States, workers frequently find themselves trapped – by debt incurred at home that they must pay off, by visa and work permit regulations that bind them to a particular workplace, by unsympathetic host country law enforcement that is more interested in “busting” migrant workers whose paperwork is order, than in protecting and defending their labor and human rights, and in some cases by their illegal status brought upon them by no fault of their own.

Even given all the hardships and false promises, Keralite workers often return to GCC States for one or more additional work tours. This appears to stem from extraordinarily strong push factors for migration, including social pressure to work abroad, familial financial obligations such as marriages and dowries, lack of consistent and well-remunerated employment at home, and the desire to build a good house or a good business.

Better enforcement by Indian authorities of existing laws and regulations for migrant workers is sorely needed, as is better cooperation between Indian and GCC-State governments to protect these workers once they arrive in the host country.

## Appendix: A Summary of Key Laws in India on Child Labor, Forced Labor, Labor Brokerage, and Migrant Labor

### ADULT CONTRACT AND MIGRANT LABOR

#### Bonded Labor System (Abolition) Act (1976)

Under this law, the definition of bonded labor is quite broad, constituting, in part, as follows:

“...[a] system of forced, or partly forced, labour under which a debtor enters, or has, or is presumed to have, entered, into an agreement with the creditor...to the effect that- (i) in consideration of an advance obtained by him or by any of his lineal ascendants or descendants (whether or not such advance is evidenced by any document) and in consideration of the interest, if any, due on such advance...render, by himself or through any member of his family, or any person dependent on him, labor or service to the creditor, or for the benefit of the creditor, for a specified period or for an unspecified period, either without wages or for nominal wages.”

The *de facto* definition was further expanded when the Supreme Court ruled that payment below the minimum wage could constitute bonded labor,<sup>189</sup> a decision which was confirmed, among others, by a 2007 report by the National Human Rights Commission.<sup>190</sup>

Under the Bonded Labor System (Abolition) Act of 1976, all bonded laborers were freed, their debts liquidated, and further bondage prohibited; however, punishment is token at best, as sentences range up to three years in jail and a fine of Rs. 2,000 (USD 42).<sup>191</sup>

The National Human Rights Council (NHRC) was in 1997 charged with overseeing the implementation of the Bonded Labor System Abolition Act.<sup>192</sup> According to a report commissioned by the ILO, “The Special Action Group constituted by the NHRC and the institution of the Special Rapporteurs has breathed some life into the legislative system and has given support to the grass-root NGOs that have been involved in taking up issues of bonded labour.”<sup>193</sup>

Despite the revived focus on forced labor among policy-makers, the most frequent criticisms of government action highlight not gaps in legislation but rather lack of implementation. The Supreme Court findings in the 2004 case of the People’s Union for Civil Liberties (PUCL) vs. the State of Tamil Nadu note that “identification, release and rehabilitation are the three components of the 1976 legislation and...the last has been the most wanting [sic].”<sup>194</sup>

Though the law mandates that district magistrates should establish Vigilance Committees against bonded labor, enforcement has been lax. The District Magistrate is the implementing authority.<sup>195</sup> Human Rights Watch has reported that, as a result of caste bias, inspectors charged with identifying cases of bonded labor are sometimes tainted towards favoring the employer; that Vigilance Committees include people who utilize bonded labor in their own businesses; and that there exists little or no monitoring on the fulfillment or accuracy of state level reporting on bonded labor.<sup>196</sup>

#### The Contract Labor (Regulation and Abolition) Act (1970)

This is the principle law defining contractors and contract labor within India. The Act states that, “a workman shall be deemed to be employed as ‘contract labor’ in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer.”<sup>197</sup> The definition of a contractor is less straightforward: “‘contractor’, in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere

supply of goods of articles of manufacture to such establishment, through contract labor or who supplies contract labour for any work of the establishment and includes a sub-contractor.”<sup>198</sup>

The law applies only to workplaces or contractors employing 20 or more workers,<sup>199</sup> meaning that many fabrication units and other small production units are not covered under the provisions of the law. Similarly, the law does not apply to casual or seasonal work, but since most workplaces under study meet the minimum standard of 60 days per year, this provision is not relevant to this report.

Various state-level legislation has sought to fill in some of the gaps of the Act, with Andhra Pradesh, for example, prohibiting contract work in core production process and Goa having recently introduced a bill which would establish similar measures.<sup>200</sup> On other end of the scale, some exceptions, such as for Special Economic Zones, have also been made.<sup>201</sup>

*Trade unions particularly object to the incorporation of high levels of contract labor into core production processes. This view is countered by employers' associations, which argue that a flexible workforce is needed to compete internationally, and restricting the use of contract workers would simply lead to increased mechanization, and not increase employment.*

Trade unions and other workers' advocates have expressed fierce opposition to the law, claiming that the prevalence of contract labor, encouraged by the Act, undermines the establishment of permanent employment; and that contract laborers are disadvantaged by the poor provisions made for their social security and other rights.<sup>202</sup> Trade unions particularly object to the incorporation of high levels of contract labor into core production processes. This view is countered by employers' associations, which argue that a flexible workforce is needed to compete internationally, and restricting the use of contract workers would simply lead to increased mechanization, and not increase employment.<sup>203</sup>

Critics also point to lax regulation of contractors. The Ministry of Labor reported that, in 2007-2008, 819 registration certificates were issued to employers and 9,587 were issued to contractors. Also during the year, 5,657 licenses were revoked, as well as 14 certificates, a number which has fallen rapidly since 2005-2006, when 211 registration certificates were revoked. In the nearly 40 years since the passing of the Contract Labor Regulation and Abolition Act, 76 notifications prohibiting the employment of contract labor at particular sites were issued. Over 1.3 million workers were covered by contract licensees.<sup>204</sup>

### **Minimum Wages Act (1948)**

The Minimum Wages Act guarantees the payment of the minimum wage and lays out the government authority to determine wage rate, including rates for different occupations, and child, adolescent, and adult workers.<sup>205</sup> It also establishes the payment of overtime for any periods beyond “a normal working day”.<sup>206</sup> In cases where the wage paid is below the minimum, a complaint may be made through the local labor inspector, which is also the implementing authority. Police are not able to act without an inspectorate-issued complaint.<sup>207</sup>

### **The Factories Act (1948)**

This Act defines a factory as a unit where ten or more workers labor with power or 20 or more labor without power, and establishes minimal protections for all persons working within these facilities.<sup>208</sup> The protections encompassed by the law are broad in the sense that they apply to any worker, including contracted workers, on the premises, but they are limited in application by not including small-scale workplaces and by requiring that offences be reported only by a labor inspector and not by the police or another authority. The Chief Inspector of Labor Department is the implementing authority.<sup>209</sup>

The Factories Act also defines a child anyone below the age of 15 for factories and hazardous occupations and lists the specific allowances that must be made to ensure their safe working conditions, including work of no more



than 4 ½ hours per day and the prohibition of night work.. There is also a clause in the law permitting children under 14 to obtain exemptions permitting them to work in a factory as long as they carry the certification with them. Employers or contractors must register and maintain records of the children employed at each site and the types of work they are assigned.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act (1979)**

The legislation contained in this act mandates the registration and licensing of all workplaces employing migrant workers, the recoding of all workers, and the equal payment of all migrant and non-migrant workers.<sup>210</sup> Contract workers are entitled to the payment of a journey allowance to cover their round-trip transportation and wages during the journey as well as a displacement allowance granted at the higher of either 50 percent of his or her monthly wages or Rs. 75 (USD 1.60). If workers are contracted, regulations must be met regardless of the employers' awareness of their status.

The Ministry of Labor records various challenges in implementing the Inter-State Migrant Workmen Act, among which are: the difficulty of labor inspectors to obtain the correct inter-state permissions to carry out monitoring duties; workers' hesitancy in sharing personal payment and other information; fear of employers; and the weakness of enforcement mechanisms.<sup>211</sup> In 1991, the National Commission on Rural Labor recommended that measures be taken to improve the system such as the institution of a third-party compliance system, to make employers and contracts liable for the treatment of migrant workers, and to increase civil society participation.<sup>212</sup> Census reports from 2001 indicate that over 314 million migrant workers exist within India, 30 million of whom travel for labor purposes.<sup>213</sup> Across all sectors, there is little to no trade union representation for migrant workers.<sup>214</sup>

### **Emigration Act (1983)**

The goal of the Emigration Act is to provide safety mechanisms for Indians working abroad. Under the law, labor brokers, referred to here as "recruiting agents," must apply for registration with the Protector General of Emigrants, Ministry of Overseas Indian Affairs (MOIA) prior to commencing recruitment activities and must inform the government if they conduct recruiting activities beyond state borders.<sup>215</sup> The law applies only to those workers who work outside of India on a contractual basis.<sup>216</sup> Legally, an unskilled worker may pay no more than Rs. 2,000 (USD 43.20) in service charges.<sup>217</sup> At time of writing, changes to the Act are scheduled for debate in the Indian Parliament's winter session.<sup>218</sup> Currently, each state monitors recruitment activities within its own borders, but under the proposed amendments this responsibility would move to the national government. In addition, harsher penalties for non-registration and other violations would be instituted, and recruiters would be given increased responsibility for their clients' well-being once they are placed in overseas postings.<sup>219</sup>

A number of observations have been made on the efficacy of the existing Emigration Act. First, there are many recruitment agents which operate without registration, some of which refer to themselves as "counseling services,"<sup>220</sup> particularly those with connections to Thailand and the Middle East, who may earn as much as Rs.90,000 per worker (USD 1,945).<sup>221</sup> Penalties for operating without license do not serve as effective deterrents, though these unofficial agencies take no responsibility for the workers' well-being after they leave India. Even registered agencies may inflate permissible service charges. In 2009 the state government of Kerala proposed that all non-residents of Kerala would be required to apply for a permit before going abroad.<sup>222</sup>

### **Indian Penal Code, Kidnapping from India (1860)**

This establishes penalties of up to seven years imprisonment for anyone who transports a person without consent across the national border.<sup>223</sup>

### **Scheduled Castes/Scheduled Tribes, Prevention of Atrocities Act (1989)**

Under this legislation, a crime against a member of the scheduled castes or tribes is elevated to an “atrocities,” increasing the punishment by up to five years imprisonment.<sup>224</sup>

## **CHILD AND JUVENILE LABOR**

### **Child Labor (Prohibition and Regulation) Act (1986)**

This act replaced the Employment of Children Act (1938) which laid out hazardous work for children in the Indian context and prohibited the involvement of children under the age of 14 in any of these occupations. The Child Labor Prohibition and Regulation Act (CLPRA) added construction to the list of hazardous activities for children; banned the employment of children under 15 years of age; established the conditions under which children over 15 may work; and set out penalties for the violation of any of the above conditions.<sup>225</sup> It also establishes the means through which any labor inspector, law enforcement official, or civilian may lodge a complaint against a workplace with the appropriate magistrate; however, the labor inspectorate is implementing authority.<sup>226</sup> While the act allows individual states to appoint specialized labor inspectors for its application, most states have assigned this task into the existing ranks of inspectors.<sup>227</sup>

CLPRA is carried out through the National Policy on Child Labor, which was initiated the year after the law’s passing. The National Policy has a focus on the prevention of child laborers and the rehabilitation of rescued laborers. Due to lack of implementation, both the CLPRA and the National Plan have been the focus of strong criticism from a number of sources. In the words of one scholar, it is “more of a regulation than prohibition of child labor.”<sup>228</sup> Loopholes in the legislation include the exemption of child labor within family-based work, agriculture, and the informal sector,<sup>229</sup> meaning, for example, that child labor within a fabrication unit owned by one man and operated by his brother would be legal.<sup>230</sup> Human Rights Watch has noted that the clause identifying all work carried out at government-sponsored schools as non-harmful is also a serious gap, as many carpet-weaving training centers are run under government auspices; in this and other industries, it is the responsibility of the inspectorate to provide a doctor to establish proof of age in cases of doubt, placing an additional burden on agencies with limited funds.<sup>231</sup> Where complete restrictions on child labor are in place, their force is hampered by a lack of implementation and a sometimes corrupt inspectorate.<sup>232</sup>

### **The Apprentice Act (1961)**

The Apprentice Act permits parents to enter their children aged 14 years or older into employment for learning purposes. It provides some protections for them, including the prohibition of payment by piece-rate, and also lists certain industries in which they may not work.<sup>233</sup> This law may be used to fill loopholes on age or working conditions left by the Factories or Child Labor Acts or to identify those cases in which children are fraudulently classified as apprentices when they are really bonded laborers.<sup>234</sup>

### **Juvenile Justice (Care and Protection of Children) Act (2000)**

This act amends the Juvenile Justice Act of 1986. In contrast to other Indian laws for the purposes of this Act a child is defined as any person under 18 years of age. This act does not deal specifically with labor rights or protections; rather it provides for the protection and rehabilitation of neglected children and juveniles and establishes that trafficked children are eligible for these benefits. It also reiterates that either the trafficking or hiring of a trafficked or bonded laborer is punishable.<sup>235</sup>

**Children (Pledging of Labor) Act (1933)**

Under this law, any intermediary, including contractors, employers or parents, who uses or promises to provide child labor can be prosecuted.<sup>236</sup> This restriction is lifted for any agreement not detrimental to the child or that is of less than two weeks in length.<sup>237</sup>

Weaknesses in the law include the interpretive definition of “detrimental” and the low fees for violations (Rs.50 for parents and Rs.200 for contractors and employers).

**The Tea Districts Emigration Labor Act (1932)**

The Act prohibits the migration of children for labor unless accompanied by their parents or guardian.

**The Plantations Labor Act (1951)**

The Plantations Labor Act contains restrictions on the employment of children to no more than 27 hours per week, none of which may be during night hours. It also makes obligatory the provision of educational, housing, medical, and other benefits.<sup>238</sup>

**Delhi Primary Education Act (1960)**

Section 14 of this Act, which applies to the Delhi portion of the NCR, establishes that no child may be employed to the extent that his or her attendance at school is restricted.

## ENDNOTES

<sup>1</sup> Founded in 1992, the Association for Stimulating Know-How (ASK) is one of the few non-profit organizations in India working extensively in the field of corporate social responsibility. ASK functions as the South Asia Regional Program Office for Verité, undertaking social audits and research on CSR issues and facilitating factory-level remediation and trainings. ASK also supports programs as diverse as finding alternatives for child laborers in the brass industry in India, and working with indigenous communities in rural South Asia.

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<sup>4</sup> Fair Wear Foundation. *Background Study Tirupur*. 2004.

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<sup>5</sup> Fair Wear Foundation. *Background Study Tirupur*. 2004.

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<sup>7</sup> Shivagaje, Ashok, Madhukar Kasture, Dadabhau Yadav, Nanda Pandharikar and Mayura Mathankar. "Cotton Scenario in India." *Current Science*. Vol. 87 No. 1. 10 July 2004. <[www.ias.ac.in/currsci/jul102004/8.pdf](http://www.ias.ac.in/currsci/jul102004/8.pdf)>.

<sup>8</sup> Fair Wear Foundation. *Background Study Tirupur*. 2004.

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<sup>9</sup> Tewari, Meenu and Jeffery Goebel. *Small Firm Competitiveness in a Trade Liberalized World, Lessons for Tamil Nadu*.

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<sup>10</sup> Kruijtbosch, Martine. *Child and adult labour in the export-oriented garment and gem polishing industry of India, with case studies from Tirupur, Bangalore, Jaipur and Trichy*. November 1996. <<http://www.indianet.nl/chadlab.html>>.

<sup>11</sup> Tewari, Meenu and Jeffery Goebel. *Small Firm Competitiveness in a Trade Liberalized World, Lessons for Tamil Nadu*.

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<sup>12</sup> Tewari, Meenu and Jeffery Goebel. *Small Firm Competitiveness in a Trade Liberalized World, Lessons for Tamil Nadu*.

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- <sup>29</sup> Prithiviraj, S.S. *Women Workers in a Cage*. June 2007.
- <sup>30</sup> Breman, Jan. "On bondage old and new." *The Indian Journal of Labour Economics* Vol.51 No. 1. January - March 2008.
- <sup>31</sup> Breman, Jan. "On bondage old and new." *The Indian Journal of Labour Economics* Vol.51 No. 1. January - March 2008.
- <sup>32</sup> The National Capital Region refers to the capital of Delhi and New Delhi (which together form the National Capital Territory of Delhi, or NCT) as well as portions of the surrounding states of Haraya, Rajasthan, and Uttar Pradesh. At times this presented research challenges because most government bodies collect data by state, not considering the NCR as a separate entity; thus data often refers only to the NCT and not the NCR in full. Another notable effect is that immigrants to the NCR, notably from Uttar Pradesh, the most populous state, may not qualify for protection under inter-state migrant legislation.
- <sup>33</sup> National Institute of Small Industry Extension Training. *Delhi Garment Cluster Report*.
- <sup>34</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>35</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>36</sup> Mezzadri, Alessandra. "How Globalised Production Exploits Informal-Sector Workers: Investigating the Indian Garment Sector." Centre for Development Policy and Research, School of Oriental and African Studies. August 2008. <<http://www.soas.ac.uk/cdpr/publications/dv/46070.pdf>>. (Source irretrievable, probably identical to footnote 49.) [Retrieved October 2009].
- <sup>37</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>38</sup> Rajasekhar, D., J.Y. Suchitra and R. Manjula. "Women Workers in Urban Informal Employment: The Status of Agarbathi and Garment Workers in Karnataka." *Indian Journal of Labour Economics* Volume 50 Number 4. 2007. pp. 835-846.
- <sup>39</sup> Das, Ashis and Dhananjay Pandey. "Contract Workers In India: Emerging Economic and Social Issues." *Indian Journal of Industrial Relations*, Volume 20, Number 2. October 2004: pages 242-265.
- <sup>40</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>41</sup> Das, Ashis and Dhananjay Pandey. "Contract Workers In India: Emerging Economic and Social Issues." *Indian Journal of Industrial Relations*, Volume 20, Number 2. October 2004. pages 242-265.
- <sup>42</sup> Bahdari, Amit K and Almas Heshmati. "Wage Inequality and Job Insecurity among Permanent and Contract Workers in India: Evidence from Organized Manufacturing Industries." Discussion Paper, Institute for the Study of Labor, April 2006.
- <sup>43</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>44</sup> Government of India. Ministry of Labor. *Contract Labor in India*. <[labour.nic.in/annrep/files2k1/lab10.pdf](http://labour.nic.in/annrep/files2k1/lab10.pdf)>. [Retrieved October 2009].
- <sup>45</sup> Government of India. Ministry of Labor. *Contract Labor in India, Session 41 of ILC*. <[labour.nic.in/dglw/Session41ofILC.doc](http://labour.nic.in/dglw/Session41ofILC.doc)>. [Retrieved October 2009].



- <sup>46</sup> Bahdari, Amit K and Almas Heshmati. "Wage Inequality and Job Insecurity among Permanent and Contract Workers in India: Evidence from Organized Manufacturing Industries." Discussion Paper, Institute for the Study of Labor, April 2006.
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- <sup>48</sup> Basu, Indrajit. "Labor unrest gaining ground in India." *UPI Asia.com*. 23 October 2009. <[http://www.upiasia.com/Economics/2009/10/23/labor\\_unrest\\_gaining\\_ground\\_in\\_india/4388/](http://www.upiasia.com/Economics/2009/10/23/labor_unrest_gaining_ground_in_india/4388/)>. [Retrieved October 2009].
- <sup>49</sup> Breman, Jan. "On bondage old and new." *The Indian Journal of Labour Economics* Vol.51 No. 1. January - March 2008.
- <sup>50</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>51</sup> Mezzadri, Alessandra. "How Globalised Production Exploits Informal-Sector Workers: Investigating the Indian Garment Sector." *Development Viewpoint* No. 12. Department of Development Studies, School of Oriental and African Studies. August 2008.
- <sup>52</sup> Mezzadri, Alessandra. "The raise of neoliberal globalisation and the 'new old' social regulation of labour: the case of Delhi garment sector." *Indian Journal of Labor Economics* Vol. 51 No. 4. pp. 603-618.
- <sup>53</sup> Expert Interview, Dr. Alessandra Mezzadri, Lecturer, The School of African and Oriental Studies. 27 October 2009.
- <sup>54</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>55</sup> The Contract Labor (Regulation and Abolition) Act of 1970 states that, "a workman shall be deemed to be employed as 'contract labor' in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer." The definition of a contractor is less straightforward: "'contractor', in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labor or who supplies contract labour for any work of the establishment and includes a sub-contractor."
- <sup>56</sup> The Contract Labour (Regulation and Abolition) Central Rules of 1971 state: "In cases where the workmen employed by the contractor perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work and other condition of service of the workmen of the contractor shall be the same as applicable to the workmen directly employed by the principal employer of the establishment on the same or similar kind of work."
- <sup>57</sup> Mezzadri, Alessandra. "The raise of neoliberal globalisation and the 'new old' social regulation of labour: the case of Delhi garment sector." *Indian Journal of Labor Economics* Vol. 51 No. 4. pp. 603-618.
- <sup>58</sup> Mezzadri, Alessandra. "The raise of neoliberal globalisation and the 'new old' social regulation of labour: the case of Delhi garment sector." *Indian Journal of Labor Economics* Vol. 51 No. 4. pp. 603-618.
- <sup>59</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>60</sup> The International Labour Organization has noted that, due to their histories of agricultural servitude, these are the states where debt bondage and other forms of forced labor are most common and Bihar, Uttar Pradesh and Orissa are included on the Indian National Human Rights Council's (NHRC) list of states most prone to bonded labor. (International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005. Page 31; Srivastava, Ravi S. *Labor in India: Its Incidence and Pattern*. International Labour Organization Special Action Program to Combat Forced Labor. June 2005.) Given that debt bondage is present throughout India, but particularly in the source communities for migrant labor to the NCR region, the practice of advance taking may seem to migrant laborers an unnecessary but unremarkable cost of doing business. Alternatively, workers may even view it as a benefit- a form of safety net where contractors are providing financial services that banks don't. It was beyond the scope of the current study to explore these themes in-depth with workers interviewed.
- <sup>61</sup> Mezzadri, Alessandra. "The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement." *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.
- <sup>62</sup> This demographic profile is based off of the research conducted on garment manufacturing in the NCR and ASK-Verité's extensive audit experience in the region.
- <sup>63</sup> Goldstein, B. "Merchants of Labor in Three Centuries: Lessons from history for reforming 21st century exploitation of migrant labour." *Merchants of Labour*. Ed. C. Kuptsch. Geneva: International Labour Organization, 2006.
- <sup>64</sup> Mezzadri, Alessandra. "How Globalised Production Exploits Informal-Sector Workers:

Investigating the Indian Garment Sector.” Centre for Development Policy and Research, School of Oriental and African Studies. August 2008. <<http://www.soas.ac.uk/cdpr/publications/dv/46070.pdf>>. (Source irretrievable, probably identical to footnote 49.) [Retrieved October 2009].

<sup>65</sup> Specifically, the ILO defines a private employment agency as, “Any person, independent of the public authorities, which provides services for matching offers of and applications for employment and other services relating to job seeking, such as the provision of information.” <<http://www.ilo.org/public/libdoc/ILO-Thesaurus/english/tr3266.htm>>.

<sup>66</sup> For this and all subsequent conversions calculated at the rate of 1 US dollar = 46.9 rupees. In most cases figures are rounded to the nearest dollar.

<sup>67</sup> Expert Interview, Dr. Alessandra Mezzadri, Lecturer, The School of African and Oriental Studies. 27 October 2009.

<sup>68</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005.

<sup>69</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005.

<sup>70</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005. In full, the ILO states, “There can also be subtler forms of menace, sometimes of a psychological nature. Situations examined by the ILO have included threats to denounce victims to the police or immigration authorities when their employment status is illegal, or denunciation to village elders in the case of girls forced to prostitute themselves in distant cities. Other penalties can be of a financial nature, including economic penalties linked to debts, the non-payment of wages, or the loss of wages accompanied by threats of dismissal if workers refuse to do overtime beyond the scope of their contract or of national law. Employers sometimes also require workers to hand over their identity papers, and may use the threat of confiscation of these documents in order to exact forced labour.”

<sup>71</sup> Breman, Jan. “On bondage old and new.” *The Indian Journal of Labour Economics* Vol. 51 No. 1. January - March 2008.

<sup>72</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005. Page 27.

<sup>73</sup> Expert Interview, Dr. Alessandra Mezzadri, Lecturer, The School of African and Oriental Studies. 27 October 2009.

<sup>74</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005.

<sup>75</sup> Government of the State of India. Ministry of Labor. *Annual Report, 2008-2009*.

<<http://labour.nic.in/cwl/ChildLabour.htm>>. [Retrieved October 2009].

<sup>76</sup> MacDougal, Dan. “Child sweatshop shame threatens Gap’s ethical image.” *The Observer*. 28 October 2007.

<<http://www.guardian.co.uk/business/2007/oct/28/ethicalbusiness.india>>.

<sup>77</sup> Forced labor is also considered one of the worst forms of child labor: International Labour Organization. Convention 182. <<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C182>>. [Retrieved October 2009]

<sup>78</sup> Human Rights Watch. *Small Hands of Slavery: Bonded Child Labor in India*. September 1996. Page 3.

<<http://www.hrw.org/legacy/reports/1996/India3.htm>>. [Retrieved October 2009].

<sup>79</sup> Mezzadri, Alessandra. “The limitation of corporate social responsibility in the Indian garment sector: a case study from the Delhi industrial area at the end of the Multi Fibre Agreement.” *At the crossroads: South Asian Research, Policy and Development in a Globalised World*. Islamabad: SDPI/Sama. pp. 16-35.

<sup>80</sup> The situation described does not meet the strict definition of debt bondage because the person holding the loan is not the same person extracting the labor. “According to the definition of the UN Supplementary Convention on the Abolition of Slavery, Slave Trade and Institutions and Practices Similar to Slavery (1956), debt bondage is a situation that arises when a person provides a loan to another and uses his/her labour/services, or those of another person over whom the debtor has control, to repay the debt. When the value of the work, as reasonably assessed, is not applied towards the liquidation of the debt, the situation becomes one of debt bondage.” *Trafficking for Forced Labour: How to Monitor the Recruitment of Migrant Workers*. Geneva: International Labour Organization, 2005. Page 15.

<sup>81</sup> International Labour Organization. *A Global Alliance Against Forced Labor: A Report of the Director General*. 2005.

<sup>82</sup> Breman, Jan. “On bondage old and new.” *The Indian Journal of Labour Economics* Vol. 51 No. 1. January - March 2008.

<sup>83</sup> The Cooperation Council for the Arab States of the Gulf (CCASG; Arabic: *الجامعة العربية لدول التعاون*), also known as the Gulf Cooperation Council (GCC) comprises the Persian Gulf states of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. We refer to the member states of the GCC in this report as the “GCC States.”

<sup>84</sup> K C Zachariah and S Irudaya Rajan. Kerala Migration Survey 2007. Report by the Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuram, Department of Non-Resident Keralite Affairs, Government of Kerala. 2008. <http://www.cds.edu/admin/homeFiles/Kerala%20Migration%20Survey%202007.pdf>.

<sup>85</sup> <<http://pravasimalayali.net/index.html>>. (Source irretrievable.)

<sup>86</sup> Pravasi Kerala Congress is a Congress party affiliated organization focused on the welfare of Pravasis working in the GCC as well as those who have returned back. <<http://www.keralacongress.info/index.htm>>. Pravasi Muslim League is a Muslim League affiliated organization working for the welfare of the Pravasis working in the GCC as well as those who have returned back. Pravasi Welfare Co-operative Society Limited is a co-operative society working towards the welfare of the workers who have returned from the GCC.

- <sup>87</sup> The three trade unions are: the Centre of Indian Trade Unions (CITU), the Indian National Trade Union Congress (INTUC) and the All India Trade Union Congress (AITUC).
- <sup>88</sup> Rekacewicz, Philippe. "India: defence in mind." *Le Monde diplomatique*. September 2009. <<http://mondediplo.com/maps/indiaarmygeopolitical>>.
- <sup>89</sup> Naujoks, Daniel. "Emigration, Immigration, and Diaspora Relations in India." Migration Policy Institute. October 2009. <<http://www.migrationinformation.org/Profiles/display.cfm?ID=745>>.
- <sup>90</sup> "Indian Labor Migration, 1999 to 2007." Migration Policy Institute. <<http://www.migrationinformation.org/charts/india-oct09-fig2.cfm>>; Note: \* The graph shows data for those emigrants for whom 'Emigration Clearance is Needed' (ECN). Thus, highly skilled migrants and migrants in other categories are not displayed in the data. Source: Annual Reports of the Ministry of Labour and the Ministry of Overseas Indian Affairs.
- <sup>91</sup> Naujoks, Daniel. "Emigration, Immigration, and Diaspora Relations in India." Migration Policy Institute. October 2009. <<http://www.migrationinformation.org/Profiles/display.cfm?ID=745>>.
- <sup>92</sup> "Indians largest working force in UAE." *Times of India*. 26 February 2008. <[http://timesofindia.indiatimes.com/Indians\\_largest\\_working\\_force\\_in\\_UAE\\_Study/articleshow/2814473.cms](http://timesofindia.indiatimes.com/Indians_largest_working_force_in_UAE_Study/articleshow/2814473.cms)>.
- <sup>93</sup> Hartley, Joanna. "20,000 Indian Workers to be Flown out of UAE." *Arabian Business.com*. 08 February 2009. <<http://www.arabianbusiness.com/545943-20000-indian-workers-to-be-flown-out-of-uae>>.
- <sup>94</sup> Ministry of Labour. 2002. <[www.labour.nic.in](http://www.labour.nic.in)>.
- <sup>95</sup> Zachariah, K. C. and S. Irudaya Rajan. *Kerala Migration Survey 2007*. Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuram, Department of Non-Resident Keralite Affairs, Government of Kerala. 2008.
- <sup>96</sup> Zachariah, K. C. and S. Irudaya Rajan. *Kerala Migration Survey 2007*. Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuram, Department of Non-Resident Keralite Affairs, Government of Kerala. 2008.
- <sup>97</sup> Zachariah, K. C.. "Working in Gulf: Employment, wages and working conditions." *Kerala's Gulf Connection*. Thiruvananthapuram: Centre for Development Studies, 2002. 152-155.
- <sup>98</sup> "Oil boom lifts UAE per capita income above Dh91,000." *Gulf News (Dubai)*. 13 May 2005. <<http://archive.gulfnews.com/articles/05/05/13/164713.html>>. [Retrieved 3 October 2006].
- <sup>99</sup> Zachariah, K. C. and S. Irudaya Rajan. *Kerala Migration Survey 2007*. Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuram, Department of Non-Resident Keralite Affairs, Government of Kerala. 2008.
- <sup>100</sup> "Oil boom lifts UAE per capita income above Dh91,000." *Gulf News (Dubai)*. 13 May 2005. <<http://archive.gulfnews.com/articles/05/05/13/164713.html>>. [Retrieved 3 October 2006].
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- <sup>107</sup> Sasikumar, S.K.. "International Labour Migration from Independent India." Archives of Indian Labour. <[http://www.indialabourarchives.org/publications/sksasikumar.htm#\\_ftn4](http://www.indialabourarchives.org/publications/sksasikumar.htm#_ftn4)>.
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- <sup>109</sup> Stewart, Jamie. "Indian migrant worker suicide rate falls 42%." *Construction Week Online*. 29 April 2009. <[http://www.constructionweekonline.com/article-5046-indian\\_migrant\\_worker\\_suicide\\_rate\\_falls\\_42/](http://www.constructionweekonline.com/article-5046-indian_migrant_worker_suicide_rate_falls_42/)>.
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- <sup>113</sup> Ministry of Overseas Indian Affairs. *Guidelines for Registration as RAs*. <<http://www.moia.gov.in/services.aspx?ID1=257&id=m9&idp=120&mainid=73>>.
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- <sup>119</sup> "Insurance scheme for NRIs soon." *The Deccan Herald*. Hyderabad; "Insurance scheme of emigrants from December 25." *The Hindu*. Chennai, 15 November 2003.
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- <sup>121</sup> Harmi, Hamdan Al. "Ask the Law." *Khaleej Times*. 21 August 2005. <[http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/theuae/2005/August/theuae\\_August605.xml&section=theuae&col](http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/theuae/2005/August/theuae_August605.xml&section=theuae&col)>.
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- <sup>125</sup> Human Rights Watch. "The Island of Happiness": *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>126</sup> Human Rights Watch. *Building Towers, Cheating Workers*. November 2006.
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- <sup>128</sup> Human Rights Watch. "The Island of Happiness": *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
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- <sup>130</sup> Allen, Lila. "Dark Side of the Dubai Dream." *BBC News Magazine*. 6 April 2009. <[http://news.bbc.co.uk/2/hi/uk\\_news/magazine/7985361.stm](http://news.bbc.co.uk/2/hi/uk_news/magazine/7985361.stm)>.
- <sup>131</sup> Embassy of the United Arab Emirates in Washington, DC. *Labor Rights in the UAE*. <<http://www.uae-embassy.org/uae/human-rights/labor-rights>>.
- <sup>132</sup> Embassy of the United Arab Emirates in Washington, DC. *Labor Rights in the UAE*. <<http://www.uae-embassy.org/uae/human-rights/labor-rights>>.
- <sup>133</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>134</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>135</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>136</sup> Rahman, Saifur. "Worker shortage a ticking bomb." *Gulf News*. 23 October 2007. <[http://archive.gulfnews.com/indepth/labour/more\\_stories/10162344.html](http://archive.gulfnews.com/indepth/labour/more_stories/10162344.html)>.
- <sup>137</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>138</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>139</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>140</sup> Federal Law No. 8 (1980) on Labor Relations, Chapter VII; Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>141</sup> Human Rights Watch. "The Island of Happiness" *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.
- <sup>142</sup> Human Rights Watch. *Building Towers, Cheating Workers: Exploitation of Migrant Construction Workers in the United Arab Emirates*. November 2006.
- <sup>143</sup> It is possible that the preponderance of "jail time" experience among our respondents may be due to statistical selection issues – perhaps, for example, workers who spent time in jail in a GCC State are more likely to return home and stay home;



and thus the proportion of workers who were imprisoned while at work in a GCC State is high among the overall population of “returned workers” in Kerala.

<sup>144</sup> Human Rights Watch. “*The Island of Happiness*” *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.

<sup>145</sup> Human Rights Watch. “*The Island of Happiness*” *Exploitation of Migrant Workers on Saadiyat Island, Abu Dhabi*. May 2009.

<sup>146</sup> Human Rights Watch spoke to 15 Zueblin workers who reported receiving a basic wage of AED 630 (USD 172), a food allowance of AED 230 or 240 (around USD 64), plus overtime of AED 160 (USD 43) per month. If these men work 26 days per month, their basic salary (eight hours/day) and overtime salary (two hours/day) both work out to AED 3 (USD 0.82) per hour.

<sup>147</sup> Glass, Amy. “India threatens to cut off Gulf labour supply.” *Arabian Business.com*. 07 February 2008.

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