

Multi-level Production of the Local Labour Control Regime in the Bangalore Readymade Garment Cluster

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Introduction

The readymade garment (RMG) industry is one of India's key sectors for economic and social development. The steadily growing sector employs an estimated 12.9 million people (Arora 2017), while accounting for 6.3 % of India's total export basket (AEPC 2017). At the same time, the industry has been criticized by international organizations, activists and critical scholars for continuous violations of basic labour rights (e.g. O'Reilly et al. 2015). Against this background, this paper seeks to critically examine the relationship between economic development and labour control in the Indian export-garment industry through combining perspectives from Global Production Networks (GPN) (Henderson et al. 2002) literature and Labour Process Theory (LPT) (Taylor et al. 2015). In order to shed light on the articulations between the broader economic and political governance structures of the global garment industry and the labour process, the paper will draw on the concept of Local Labour Control Regime (LLCR) as proposed by Jonas (1996). The paper will exemplify through the lens of a case study of the RMG cluster in Bangalore, how the local labour control regime is co-produced by the political and economic strategies of firm and state actors, acting at and across multiple scales within the global garment production network. Empirical data for the case study were gathered from 24 qualitative interviews conducted with garment factory managers, representatives of industry associations and trade unions as well as with labour researchers in Bangalore and New Delhi between October 2016 and October 2017. In addition, observational data from two visits of RMG factories in Bangalore and from participation in five trade union meetings during the same time period were consulted.

Multi-Level Production of the Local Labour Control Regime

Drawing on an LPT perspective, the paper parts from the assumption that due to the structured antagonism at the centre of the capitalist employment relationship, strategies for labour control are needed to suppress workers' resistance and, thus, to produce (relatively) stable accumulation regimes (Taylor et al. 2015). In order to conceptualize the complex interplay of strategies and processes which ensure the reproduction of a specific accumulation

regime at the local level, Jonas (1996) proposes the concept of the Local Labour Control Regime, defined as the "fluid and dynamic set of social relations and power structures which are continuously reproduced and/or transformed by forces of domination, control, repression and resistance operating at a variety of scales" (Jonas 1996: 329). The local labour control regime is constituted through direct control strategies at the immediate point of production as well as through indirect strategies of labour control aimed at facilitating accumulation structures. While direct control mechanisms are exercised by actors at the workplace level, indirect control through the co-ordination of production, consumption and reproduction may involve the intervention of non-local actors (ibid.: 328). Against this background, we need to conceptualize the LLCR as embedded in wider political-economic and social relations of production. For the analysis of LLCR in globally integrated industries, such as the garment industry, a GPN perspective is helpful in order to identify the power relationships between actors at different levels of the production network and the articulation of these relationships with the dynamics of labour control at the workplace level.

The Bangalore RMG-Cluster

Bangalore is one of India's leading RMG-clusters accounting for 15-20 % of India's garment exports. It hosts around 270 export-oriented RMG factory units directly employing around 150,000 workers. The cluster is specialized in casual men's wear, which is sold mainly to branded marketers and retailers from the US and from Europe (AEPC 2009). Geographically, the Bangalore RMG-industry is concentrated in three main agglomerations in the Peenya industrial area as well as on the borders of urban Bangalore along the two major traffic roads; Hosur Road and Mysore Road. Since 2009 though, there has been a growing tendency for relocation of the industry towards rural areas of Karnataka as a reaction to the rise in property prices and to the growth of a new service sector absorbing unskilled labour force in the city (Kumar 2014). The Apparel Export Promotion Cluster advertises the locational advantages of the Bangalore cluster as follows: "80% of the labour force in Bangalore is women. This is considered to be an advantage for the cluster as the cluster players believe that women labour force is disciplined. Hence Bangalore also does not

face any problems in relation to labour union” (AEPC 2009). Notwithstanding, the cluster has witnessed several incidents of union action and labour protest in the past (e.g. NTUI 2014). Thus, in order to ensure capital accumulation, employers in the cluster depend on control strategies “which limit the ‘freedom’ of labour and regulate the conditions under which it enters the labour process” (Jonas 1996: 333).

Control Strategies by Factory and Company Managements

The main instrument used by factory managements to exercise direct control over the labour process is the definition of production targets for workers. Production targets are fixed based on the technical capacities of machines (INT2), thus allowing managements to partly overcome the “indeterminacy of labour” (Taylor et al. 2015: 4) through evening out variations in the performance of workers, due to differences in work experience, age or physical condition. To ensure that workers meet production targets, factory managements employ a range of practices including slaps on the head, verbal harassment, and public shaming of workers who failed to achieve production targets through the factory floor microphone (FN1). Company managements also use indirect control strategies in form of strategic recruitment directed at producing segregated shopfloors along dimensions of gender, ethnicity and form of employment. While 80% of workers in the Bangalore garment industry are female, there is a clear gender segregation within factories with regard to the division of labour: While blue-collar workers like cutters and tailors, are in their majority female, supervisor posts are almost exclusively given to men (FN3). Thus, managers make use of gender power asymmetries rooted in the wider social relations to ensure that manual workers do not speak up to supervisors and obey their orders.



Figure 1: Gendered Shopfloor at a Bangalore RMG Factory (Photo: Hubert Thiermeyer)

Shopfloor segregation along ethnic lines is produced through the employment of migrant workers who come predominantly from poor states in the North of India. While local workers have become increasingly aware of their rights due to the engagement of local

garment unions and labour rights NGOs, migrant workers lack this awareness. Moreover, since they do not speak the local language, Kannada, they cannot communicate with most of their co-workers. Also, they lack social networks in Bangalore, thus, being particularly vulnerable to practices of exploitation by managements. For instance, several factories have adopted a practice of making migrant workers work 20 minutes longer than local workers every day without payment (INT5). Lastly, segregation along forms of employment is produced by managements through the use of contract labour. Hiring contract labour allows managements to keep labour costs down and at the same time serves as a tool for dividing the workforce and hampering unionization. This is exemplified in the following statement of a union activist at the warehouse of a major RMG supplier for renowned EU and US brands: “Since workers have started to organize [...] the management hires a lot of migrants from North India [...]. Before we founded the union, all workers were being paid per hour. Now the unionized workers are being paid per hour, while the new contract workers are being paid per unit and they can make a lot more money. While the workers who are paid per hour make around 7.000 Rupees per month, the workers paid per unit make up to 20.000 Rupees per month. This of course splits the group of workers and makes joining the union unattractive” (FN2).

The State as an Active Agent in Promoting Deregulation of Labour

Taylor et al. (2015) argue that an analysis of the articulation between the labour process, capital accumulation and the broader global political economy “involves much more than the capital-labour duality” (Taylor et al. 2015: 17) and must take into account particularly the “role of the state at all levels” (ibid.). While post-independence India has traditionally been a country with strong labour legislation, in the line of the economic liberalization process Indian governments have undertaken far-reaching measures for the deregulation and flexibilization of labour markets in order to attract private and foreign investments. This agenda has been followed most vigorously by the current BJP government. At his ascension of power in 2014, Prime Minister Modi launched the ‘Make in India’ campaign with the declared aim to create an economic environment enabling the “ease of doing business” (The Economic Times 2014: 1). In the line of this strategy, the BJP government has raised the legal maximum for weekly overtime hours from four to eight hours for the garment sector and also legalized temporary employment in the industry (Ministry of Textiles 2016). However, as Kelly (2001) argues, while formal regulatory institutions, such as labour laws, play a role in mediating the labour process, localized systems of labour control in many cases build on informal practices of actors directed

at actually circumventing or contravening formal mechanisms of labour regulation. In this regard, labour researchers report a change in the practices of Labour Department officials, who, since the beginning of liberalization, have shifted from acting as enforcers of labour law to an increasing self-understanding as “facilitators of business” (INT6). Union activists report that, particularly in cases that concern violations of the right of Freedom of Association, Labour Department officials are not willing to issue binding orders to the employer, but would rather promote extra-judicial agreements between the parties. Due to the tight control regime at the factory level, Bangalore garment unions, however, usually do not possess a strong base at the factory level and, thus, possess only limited bargaining power for influencing the terms of the agreement. Thus, union leaders report that in cases of unlawful dismissals of union leaders, for instance, employers will in most cases agree to pay outstanding wages and statutory gratuities, but will almost never accept the union’s demand to reinstate the fired activist (INT3). Hence, the withdrawal of the Labour Department from the enforcement of labour law takes away an important institutional power resource of local garment unions and hampers labour resistance.

Purchasing Practices of Lead Firms

While direct control over the labour process at the factory level is exercised mainly by factory managements, the articulation of these control mechanisms with the wider “authority and power relationships that determine how financial, material and human resources are allocated and flow within [the value] chain” (Gereffi 1994: 97) must be taken into account. In the global garment industry, multinational brands and retailers set up and control geographically dispersed networks of suppliers, which compete for orders by offering their products at ever lower prices. Given the low value-added nature of garments produced in the Bangalore cluster, manufacturers are particularly vulnerable to the threats of brands and retailers to shift sourcing to other RMG clusters within India or in neighbouring countries. As a consequence, the pressure for manufacturers has increased to minimize labour costs while maximizing productivity, which is then translated to increased work pressure at the factory level. This is reflected in this statement of the HR Manager of a major Bangalore based RMG manufacturer: “Every year I have to compromise on price, you know. They [brands] reduce the price. Because they know, [RMG manufacturer name] can do it. [RMG manufacturer name] will not refuse. [Every year] we need to increase our volume, we need to increase our productivity. That is the challenge. That is the pressure we put on our people” (INT4). The close articulation between work pressure at the factory level and lead times prescribed by buyers is exemplified by the fact that, according to reports

from workers and union activists, harassment and overtime hours always increase as a deadline to finish an order for a buyer approaches (INT3). Work pressure and working hours are raised in particular, when there have been delays in production during earlier stages, e.g. due to delayed arrival of fabrics or problems with the machinery. In this case, in order to prevent profit loss for the manufacturer, the loss in time has to be compensated through labour force, since it is a common practice of buyers to apply price cuts for delayed delivery of the order. Thus, managers employ tight control mechanisms at the workplace, such as the earlier described production targets, to ensure that lead times are met. Another control practice established by Bangalore managers that illustrates the close articulation between labour control at the factory level and purchasing practices of lead firms are the so called ‘comp-offs’. Numbers of production orders allocated to manufacturers in the Bangalore cluster are not stable throughout the whole year, but may fluctuate. Thus, during peak season, when factories receive many orders, workers are ordered to work on Sundays. However, instead of receiving the legally prescribed double wage rate for Sunday work, workers are compensated by receiving leave days during off season, when the factory does not have orders (INT1). Even though this practice is illegal, since it deprives workers from receiving the legally granted overtime bonus, it has become an institutionalized practice in the Bangalore RMG industry as a way of managers to externalize economic risks rooted in the economic governance structures of the garment production networks to the workers.

Conclusion

This paper has illustrated how economic development and capital accumulation in the Bangalore RMG cluster are facilitated through the establishment of a Local Labour Control Regime which is co-produced by actors at different levels linked to each other through the global garment production network. The paper has exemplified how political strategies of state actors at the regional and national level as well as the purchasing strategies of global brands and retailers are closely articulated with dynamics of labour control at the workplace level. Company managements have established tight labour control regimes at the factory level in order to respond to the price pressure exercised by brands and retailers. The reproduction of labour control at the factory level is in turn facilitated by strategies and practices of state actors advancing the deregulation of labour in order to attract private and foreign investments. Against this background, strategies for labour resistance cannot only rely on legal frameworks, but must also find ways to build bargaining power vis-à-vis managements, and vis-à-vis brands and retailers, since their purchasing practices shape the conditions for the labour process at the factory level.

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Field notes and interviews

FN1: Field notes from meeting with workers from RMG Company 1, Maduur, 23.10.2016.

FN2: Field notes from meeting with union activists of warehouse of RMG Company 2, Ramanagara, 23.10.2016.

FN3: Field notes from factory visit at RMG company 3, Bangalore, 24.10.2016.

INT1: Interview with leaders of Garment Union 1, Bangalore, 11.03.2017.

INT2: Interview with Factory Compliance Auditor at RMG Company 4, Bangalore, 14.03.2017.

INT3: Interview with leader of Garment Union 2, Bangalore, 24.03.2017.

INT4: Interview with General HR Manager of RMG Company 5, Bangalore, 17.09.2018.

INT5: Interview with President of Garment Union 1, Bangalore, 23.09.2017.

INT6: Interview with Labour Rights Researcher, Bangalore, 27.09.2017.

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