

**GARMENT WORKER DIARIES**

# The India Garment Worker Diaries



A study of garment workers' lives and wages in Bangladesh, Cambodia, and India.  
[www.workerdiaries.org](http://www.workerdiaries.org)

**C&A Foundation**

**FASHION REVOLUTION**

**MFO**  
microfinance opportunities

**GARMENT WORKER DIARIES**

## Who Made My Clothes? A Report from India

We all wear clothes. For the most part, these clothes are made in factories in South and South-East Asia, out of sight of the people who buy and wear them. That is why our partner Fashion Revolution has encouraged people to ask themselves:

"Who made my clothes?"

We sought to answer this question and learn about these workers' lives by collecting data on the economic condition of garment workers living and working in Bangalore in the Indian state of Karnataka. To do this, a team of researchers visited 180 garment workers each week for one year. The researchers collected data on how much the workers earned and spent each week, as well as how many hours they worked and the conditions in their factories. They collected other data too, such as information on food security, financial literacy, and workplace safety. [Chapter 1](#) contains more detail on what data we collected and how we did it.

## Who Made My Clothes? A Report from India

We designed this report so that you can explore it. You can read it in the order we present it, or you can use the navigation buttons to jump to the topics that interest you most. Regardless of what you choose, you will identify important findings in each chapter about how workers live, such as:

- **Chapter 2: Work Hours and Wages**
  - Women in our study in Bangalore worked **46 hours per week** on average, below the maximum number of hours in a legal workweek.
  - **Eighty-seven (87) percent** of the women reported earning at least the minimum wage.
  - The workers also had to **mandatory deductions** from their salary for the state health insurance and pension programs.

Note: To mimic the above-mentioned functionalities in PDF, please use the Bookmarks tab

## Who Made My Clothes? A Report from India

- **Chapter 3: Expenditures**
  - Workers **spent** most of their money on food and basic household necessities.
  - Women who were responsible for paying rent spent less money on these basics than women who did not have to pay rent.
- **Chapter 4: Managing Cash and Financial Stress**
  - Workers needed to use financial tools to intermediate mismatches between their income and expenditures. The two tools they used the most were **savings** (kept at home) and **cash transfers** from their husbands.
  - **Cash transfers from husbands** were important in allowing workers to meet their basic expenditures, often pushing workers into the low-middle class.
  - Still, workers faced moderate poverty, which had negative effect on their well-being. For instance, **one-third** reported limited or inadequate access to food during the year.

## Who Made My Clothes? A Report from India

- [Chapter 5: Life in the Factory](#)

- Generally, [safety conditions](#) were much better in workers' factories in Bangalore than they were in Bangladesh or Cambodia. Additionally, decimation in the workplace was rare.
- However, [verbal abuse](#) was rampant. Our workers regularly reported being insulted or humiliated by their supervisors.

Compared to the conditions and pay in Bangladesh and Cambodia, the workers we interviewed in India had better lives, but they still faced daily injustices. Their long hours over sewing machines result in constant pain, and they struggle to get time off to care for themselves and their families. In [Chapter 6](#), you can read the detailed stories of some of the women we interviewed.

## Who Made My Clothes? A Report from India

By the time you are done exploring this report, our hope is that you understand the human cost of fashion and everyday wear and that you use this information to improve workers' lives either by changing where and how you shop or through advocacy work. As a start, we encourage you to let brands know about what you have learned by clicking [here](#). The 180 women who contributed to this report thank you.

Eric Noggle, Research Director, MFO

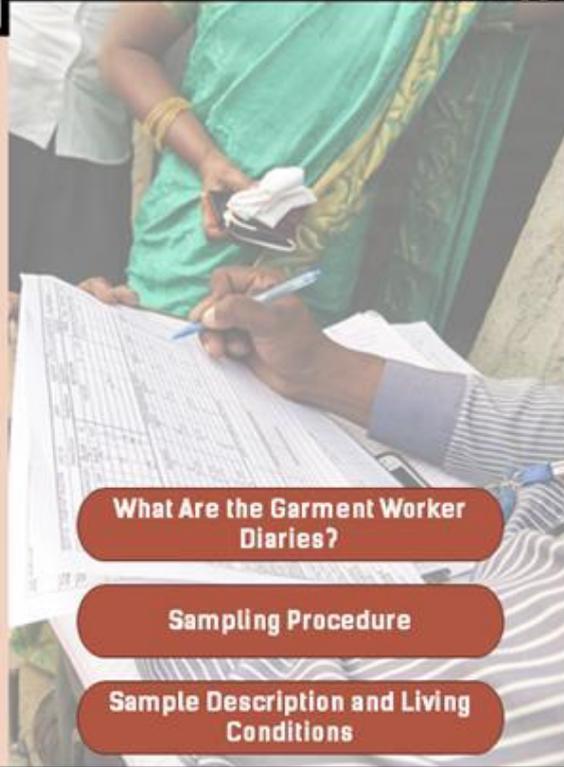
Conor Gallagher, Research Associate, MFO

Guy Stuart, Executive Director, MFO

Take Action [Link](#)

## Chapter 1: Project Background

The Garment Worker Diaries was a yearlong study of the lives of roughly 540 female garment workers in Bangladesh, Cambodia, and India. In India, MFO interviewed 180 women who lived along Mysore Road, which runs northeast and southwest to and from the southwest edge of Bangalore. While instructive of workers' experience here, the sample is not statistically representative of Bangalorean garment workers or Indian garment workers generally.



What Are the Garment Worker Diaries?

Sampling Procedure

Sample Description and Living Conditions

## Project Partners

The Garment Worker Diaries was led by Microfinance Opportunities (MFO), a United States-based non-profit organization that conducts research on the behavior of low-income households. Fashion Revolution supported the project with advocacy and outreach efforts. The project was funded by C&A Foundation, which supports efforts to transform the fashion industry to improve the lives of the men and women who make our clothes.



C&A Foundation

## What are the Garment Worker Diaries?

The Garment Worker Diaries was a yearlong research project that collected data on the lives of approximately 540 garment workers, evenly divided between Bangladesh, Cambodia, and India. The project's goal was to uncover the economic realities that garment workers face.

The project lasted from the summer of 2016 until the summer of 2017. Through weekly interviews, MFO captured data on workers' earnings and expenditures as well as their living and working conditions.

[Why these countries?](#)

## Why these Countries?

The three countries MFO and C&A Foundation selected are major garment producers, and the garment industry is very important to their economies.

According to the [World Bank](#), Bangladesh was the second largest exporter of clothing globally in terms of U.S. dollars in 2015, the most recent year for which data are available. India was the third largest exporter, while Cambodia was the fourteenth largest exporter. Exports of textiles of clothing accounted for 90 percent of all exports in Bangladesh, 65 percent of all exports in Cambodia, and 14 percent in India. As a share of all exports, Bangladesh and Cambodia rank first and third in dependence on clothing and textiles, while India ranked twenty-ninth.

Additionally, C&A Foundation prioritize activities in these, among other, countries.

World Bank [Link](#)

## Data Collection Methodology

The Garment Worker Diaries utilized the [Financial Diaries](#) methodology, a panel survey methodology that collects data on participants' economic activity on a weekly basis. Our research teams asked detailed questions about workers' earnings and expenditures, working conditions, daily schedules, physical well-being, and major events that happened in their lives.

Additionally, the research teams conducted three cross-sectional surveys with the respondents that covered topics such as financial literacy, factory conditions, food security, and health security. To achieve a better understanding of workers' experiences, MFO conducted 36 in-depth interviews per country with a sub-sample of workers.

Financial Diaries [Link](#)

## Bangalore and the Indian Garment Sector

The characteristics of the industries that support the garment supply chain vary significantly by region, so the data in this report should not be considered to be representative of the garment sector in India generally.

For instance, the garment sector in northern India is dominated by men rather women. Women dominate the southern Indian sector, but there are notable variations in the living and working conditions between states and cities. For instance, the city of Tirrupur in the state of Tamil Nadu, which is Karnataka's neighbor to the east, is famous for the Sumangali scheme, a practice by which young women live in dormitories and earn a wage but are committed to working for three to five years at their spinning mills or, sometimes, garment factories. At the end of the commitment, employers pay the women a lump sum that they can use as a dowry. The system is effectively a modern form of indentured servitude and is ripe with serious human and labor rights issues. That system is not as prevalent in Bangalore, where the garment factories are often large and focused on creating products for export.

## Sampling Procedure

MFO implemented a five-stage sampling strategy:

1. Understand garment worker neighborhoods and work tendencies
2. Identify geographic areas with concentrations of garment workers in which to work
3. Randomly select sub-areas in which to sample participants
4. Randomly select participants from within those areas using a random walk
5. Screen participants based on a predetermined set of criteria to ensure they were good candidates for the study.

[Detailed Sampling Procedure](#)

## Detailed Sampling Procedure

MFO's Financial Diaries sampling procedure balanced three priorities:

1. **Feasibility:** Due to the frequency of interviews, geographic areas had to be selected so that researchers could reach their participants in a reasonable amount of time given the distance from one worker to another and the distance between workers' dwellings and a researcher's dwelling.
2. **Representativeness:** The sample needed to be broadly, but not statistically, representative of the population of interest.
3. **Stability:** A successful study required that MFO have a stable sample for one year. This required the research team to enroll participants that were unlikely to migrate during the course of the study.

MFO engaged in a five step sampling procedure with these priorities in mind.

## Detailed Sampling Procedure

### Step 1: Primary and Secondary Research on Garment Worker Locations and Tendencies

Research teams were asked to conduct primary and secondary research on which provinces or districts within their countries contained concentrations of garment factories. Within these areas, MFO asked the researchers to collect basic information on garment workers that could help inform the sampling strategy. The teams collected information on things like work schedules, willingness to conduct interviews at or near factories, distances from respondents' homes to factories including whether the workers lived in factory dormitories, and the likelihood that garment workers would migrate.

## Detailed Sampling Procedure

### Step 2: Purposively Sample Major and Minor Administrative Units

MFO purposively selected major administrative units that contained concentrations of garment factories within each country. Typically, these administrative units were metropolitan cities, districts, or provinces. Within each of these major administrative units, MFO purposively selected minor administrative units that contained concentrations of garment factories or garment worker residences.



## Detailed Sampling Procedure

### Step 3: Randomly Select Enumerator Areas within Minor Administrative Units

Research teams developed a list of all enumerator areas-standardized areas used for national censuses-within each minor administrative unit. MFO randomly selected enumerator areas in which the research teams would conduct enrollment.



## Detailed Sampling Procedure

### Step 4: Random Participant Identification through a Random Walk

Within each enumerator area, the research team conducted a random walk to identify potential respondents. A random walk involves picking a random starting location within the enumerator area and then beginning the walk by heading in a randomly assigned cardinal direction. Enumerators then select houses along their route to identify potential participants using a skip method. In other words, they did not visit every house-they skipped a designated number of houses/apartment units before visiting a new home. The combination of the random walk and skips helps limit bias in the identification of potential participants.

## Detailed Sampling Procedure

### Step 5: Participant Selection and Screening

Enumerators began the enrollment process by determining how many female garment workers lived within a household. Enumerators used a Kish grid to randomly select a female garment worker living in a household if there was more than one. If only one garment worker lived in the home, then the enumerator chose her for the screening process.

## Screening Process

To create a stable sample, MFO used the following criteria to screen workers before offering participation in the program:

1. *Full-time or part-time status:* Only full-time workers were selected
2. *Worker's schedule:* To ensure the worker had availability for interviews
3. *Plans to switch jobs or travel:* MFO screened out individuals that reported that they planned on switching factories or typically migrated for more than a month during the year as these individuals were a high drop-out risk
4. *Mobile phone ownership/access:* Owning a mobile phone or having access to one was necessary to ensure respondents were reachable to schedule interviews and to perform make-up interviews if necessary

## Sample Description

The women in the study lived along Mysore Road which travels northeast and southwest to and from Bangalore. More than half the participants were in their thirties, and 87 percent of them were married. Two-thirds of the women had completed their secondary education, and they typically lived in four person households with their husbands and children. Basic household assets – like tables, chairs, and cooking appliances – were common, but luxuries like a refrigerator or motorized transport were not.

The types of homes the women lived in varied based on where they lived. For instance, in the areas closest to the city of Bangalore, women were more likely to live in apartments, while detached, formal housing was more common farther away from the city. The construction of homes was generally good, with walls typically being made of brick, stones, or concrete and roofs being made of concrete or tiles. In Kengeri, Bidadi and Ramangara, respondents reported having grid electricity for about 22.5 hours per day, but respondents in the other sites reported receiving four hours less per day. Most households accessed water through an in-house tap.

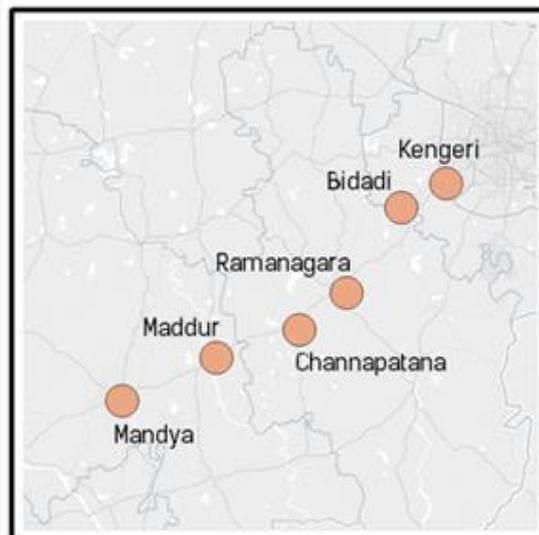
Demographics Data

Living Conditions

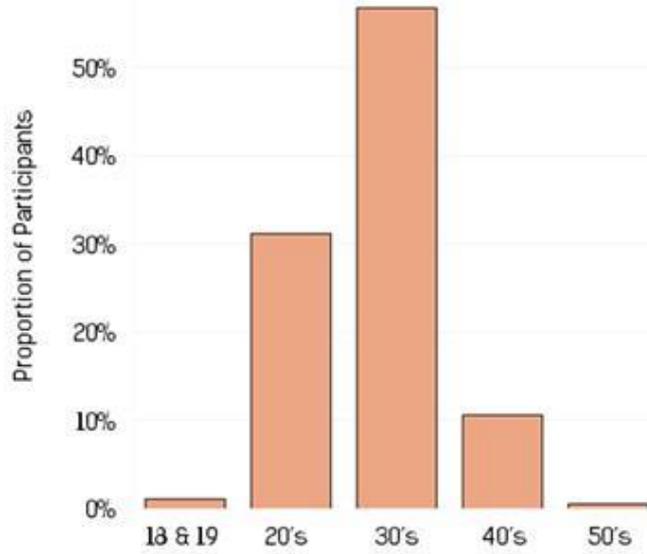
Housing Gallery

## Locations

The 180 women in the study lived in six areas along Mysore Road. Due to the logistics of the project, there were 30 women per area. The closest of these Kengeri, is located at the very edge of the city of Bangalore. By car, the distance to each subsequent research sites is 30 to 45 minutes.

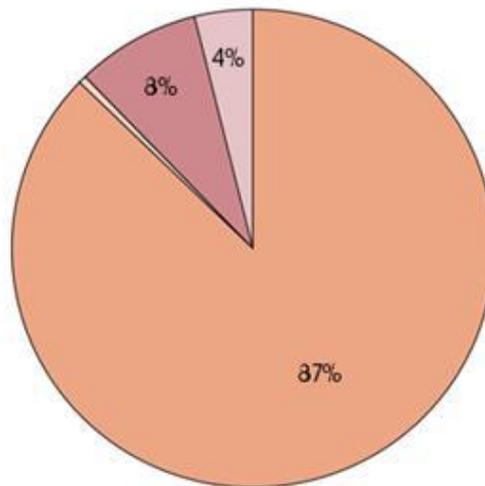


### Ages



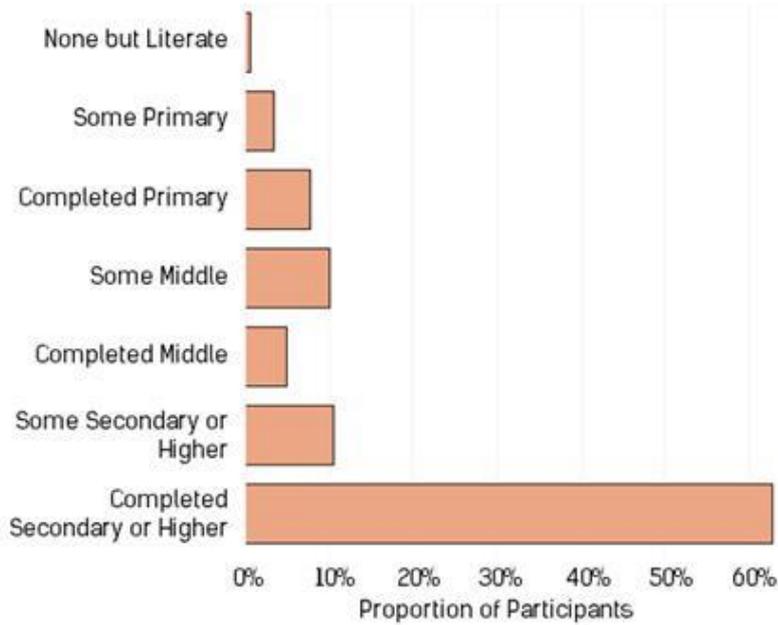
### Marital Status

- Married
- Separated/Divorced
- Single (never married)
- Widowed

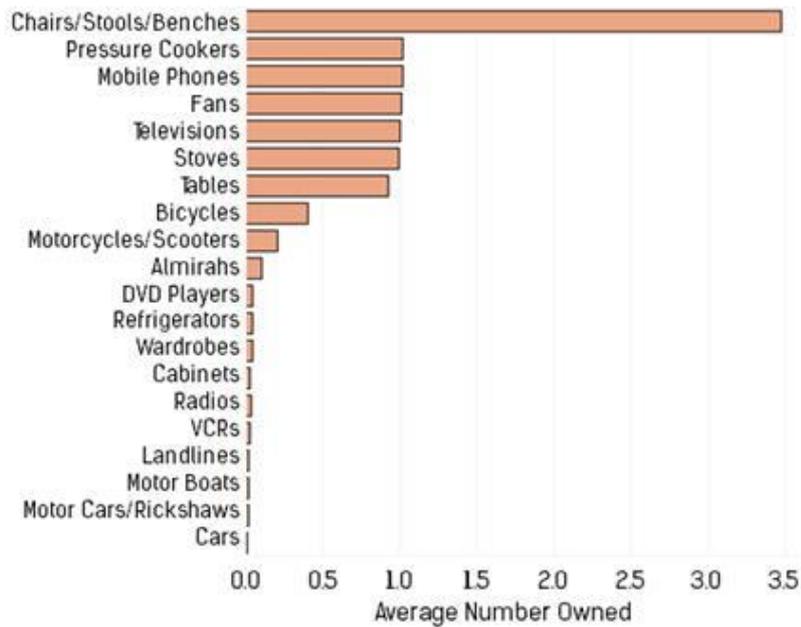




### Education Received

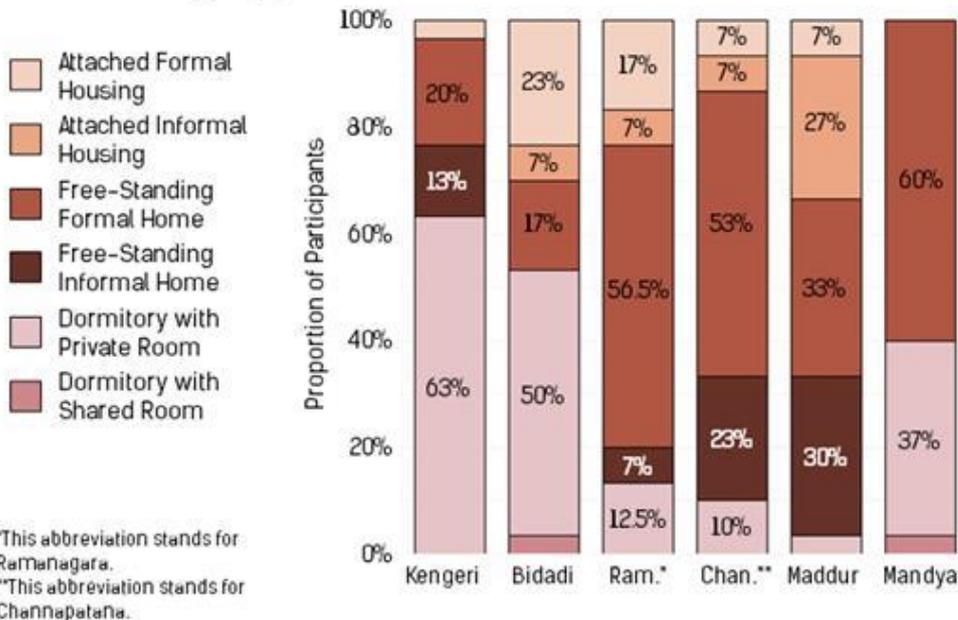


### Household Assets

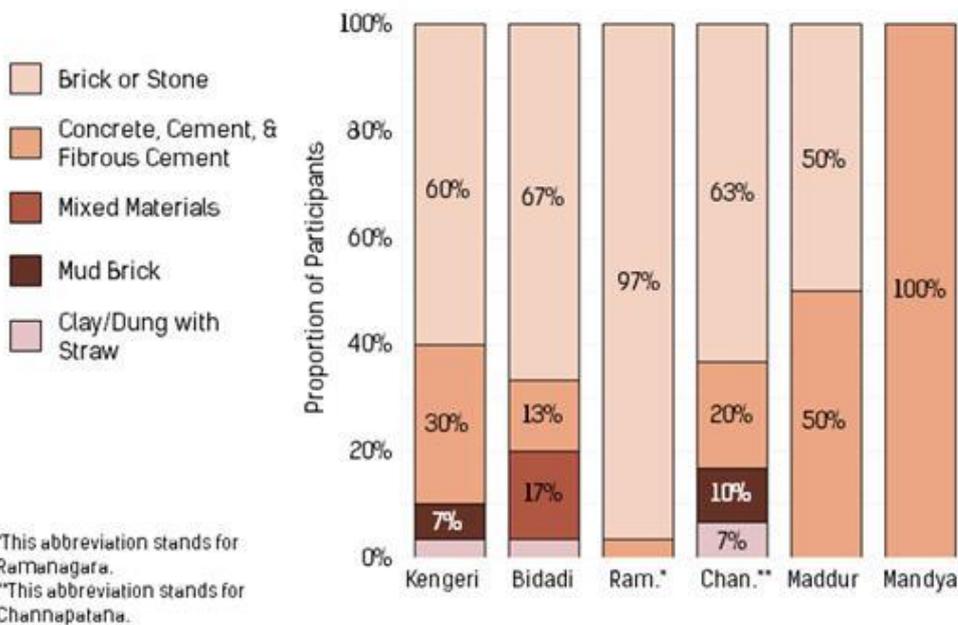


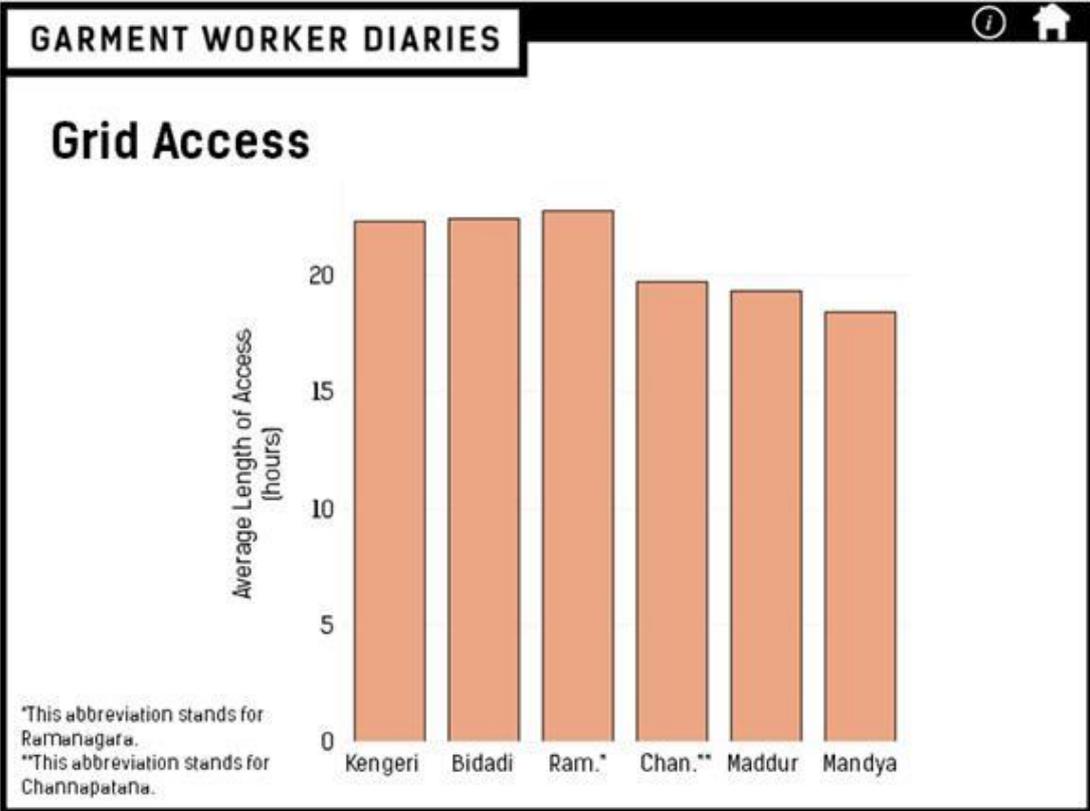
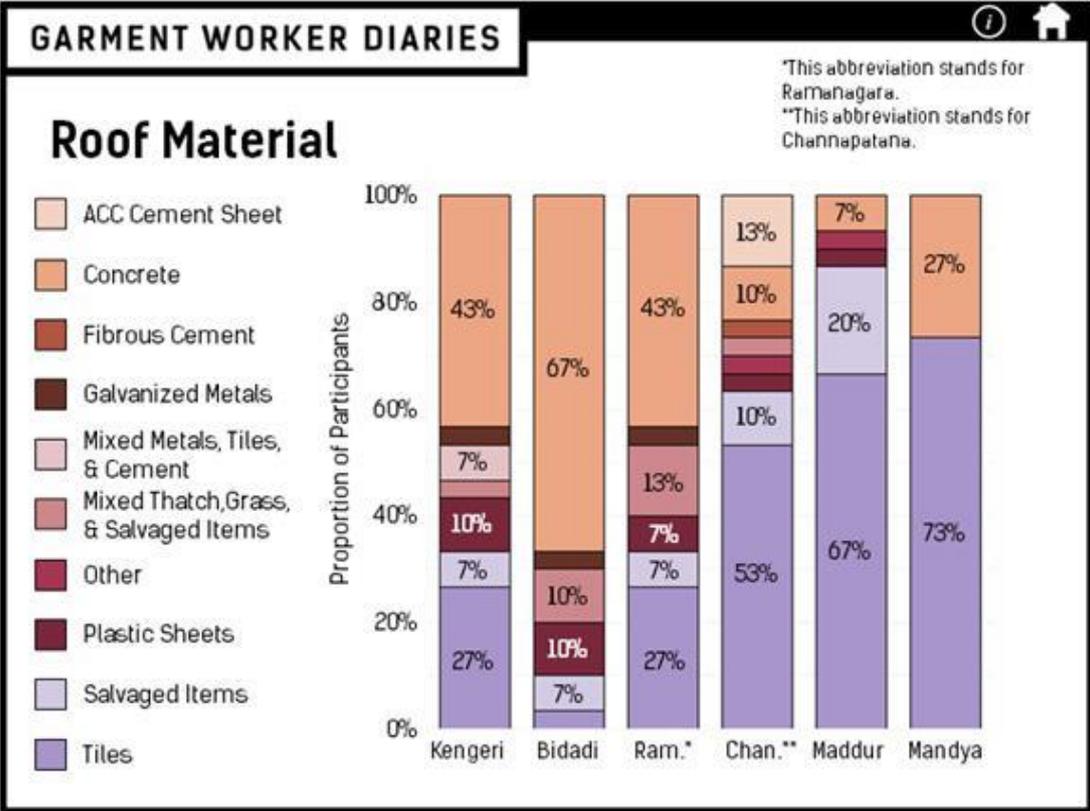


### Dwelling Type



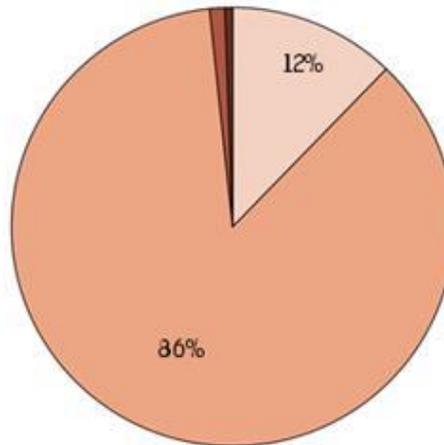
### Wall Material



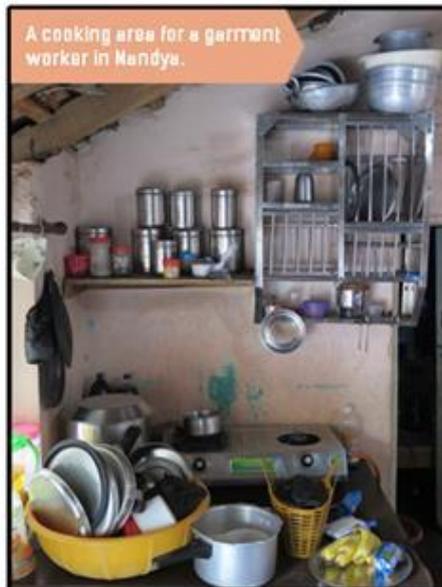


## Primary Water Source

- Community Well or Pipe
- In-Home Faucet
- Private Well
- Water Delivered by Truck



## Living Conditions



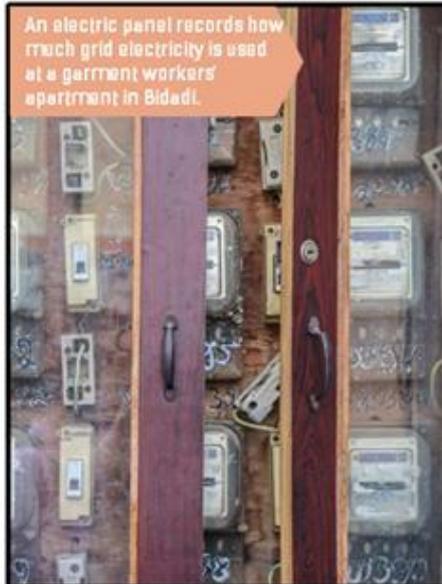
## Living Conditions

A neighborhood in Mandy. The dog sleeps on a pile of sand a garment worker is using to make additions to her house.



## Living Conditions

An electric panel records how much grid electricity is used at a garment workers' apartment in Bidadi.



## Living Conditions

A series of apartment buildings, where garment workers and their families live, in Bidadari.



## Living Conditions

Outside a respondent's home in Ramnagara. These are the standard types of homes for workers in this area.



## Living Conditions

A respondent in Channapatana washes her utensils and cookware on her day off as her mother-in-law sits next to her.



## End of Chapter Summary

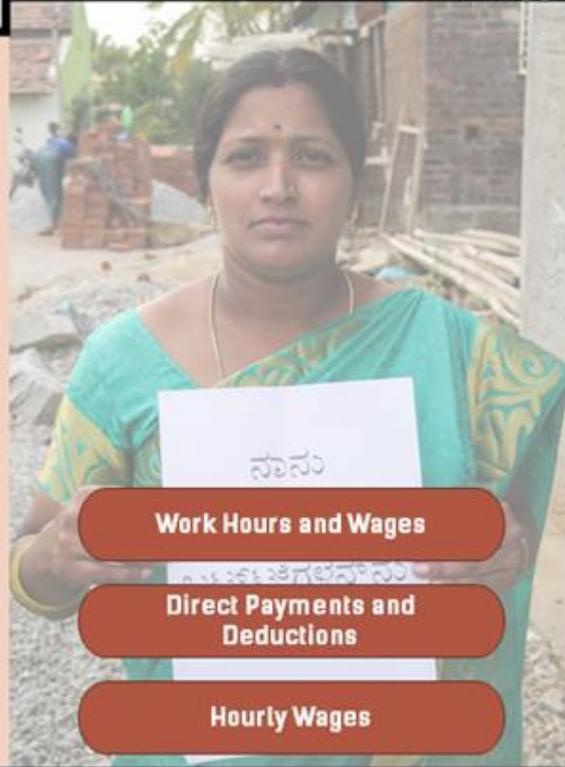
The Indian Garment Worker Diaries took place in Banaglore in the state of Karnataka. The results of the study should not be generalized to the entire Indian garment sector.

The study included 180 women who lived on Mysore Road leading to and from the southwest corner of Bangalore. These women were generally in their thirties, married, and had completed their secondary education.

They lived with their husbands and children in well-constructed houses, typically with in-house taps and decent access to grid electricity. Almost all women owned a basic set of assets such as tables, chairs, stoves, fans, mobile phones, and televisions. Luxury items, like refrigerators or motorized transport, were uncommon.

## Chapter 2: Wages

Women in Bangalore should be paid a minimum wage that corresponds to their employer's designation of their position. For most workers, this legal wage is between 7,000 and 8,000 INR, equivalent to an hourly rate of between 33.65 and 38.46 INR. Most workers earned a wage equal to or greater than the minimum for their designation. In addition, some received a bonus during the year, and all paid into the state insurance program and pension fund.



## Work Hours and Wages

In "Fashion Focus: The Fundamental Right to a Living Wage," a review of labor law in garment producing countries, the non-governmental organization The Circle notes that there are a number of laws in India that govern how long employees can work, but in the garment sector, they all stipulate that a normal work week is 48 hours. In the state of Karnataka, where this study took place, there is a law limiting overtime hours to one per day and a total of 50 in a quarter. This requirement effectively caps overtime at six hours per week. Other states cap overtime hours at 12 hours per week (or a total of 60 work hours per week).

There is no national minimum wage in India, and individual states are responsible for setting minimum wages which often vary by type of employment.

While the wage is not set, the *Minimum Wage Act* (1948) does stipulate many requirements of the wage, such as contributions to pension funds cannot be included in wage calculations but a cost of living allowance can be. There are numerous wage deductions that employers can take, such as deductions for absences of duty. It also notes that minimum wages can be fixed by the hour, day, or month. Various acts also state that overtime hours are to be paid at twice the normal "rate of wages."

Designations and Employment Status

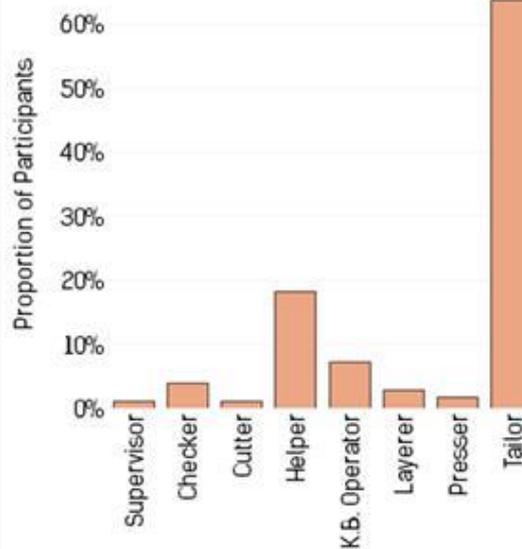
Work Hours and Wage Date



## Designations

In the state of Karnataka, the government sets minimum wage rates for the garment industry. The minimum wage varies by a workers' role in the factory and where the worker lives.

We asked workers their role designation. Workers reported they were supervisors, checkers, cutters, helpers, layers, pressers/ironers, and tailors, all of which were roles that matched the state's official designations. However, there are three tailor grades, and not all workers knew their grade. Furthermore, 13 workers reported being "K.B. operators," but this does not match a formal state designation.



## Minimum Wage Rates

Minimum wage rates are determined by designation and area. Below is a list of participants' designations, the areas they worked, and their corresponding minimum wages. An entry with "N/A" signifies that there was not a participant with that corresponding designation in that area.

Designation	Bangalore Metro Area (INR)	District Capitals (INR)	Other (INR)
Supervisor	N/A	N/A	8,397.60
Checker	7,708.40	7,578.40	7,448.40
Cutter	N/A	N/A	7,214.40
Helper	N/A	7,344.40	7,214.40
K.B. Operator	7,474.40	7,344.40	7,214.40
Layerer	7,786.40	N/A	7,526.40
Presser	N/A	N/A	7,448.40
Tailor	7,474.40	7,344.40	7,214.40

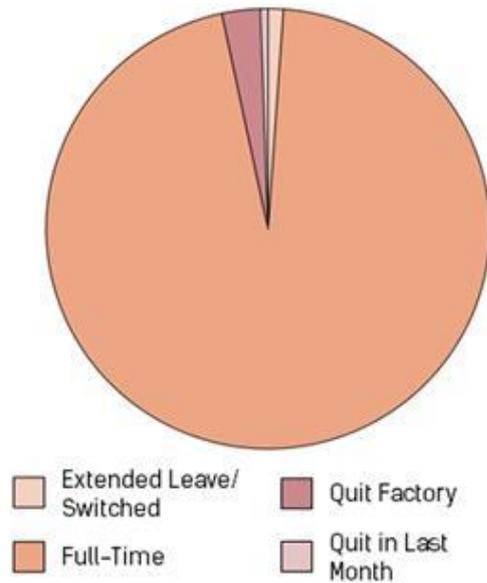
## GARMENT WORKER DIARIES



### Employment Status

Of the 180 women who started the project, 96 percent worked full-time in their factory throughout the project. The remainder quit their jobs at some point during the project or took an extended period of leave before re-entering the garment industry.

The following data applies to the women who worked full-time throughout the project cycle.



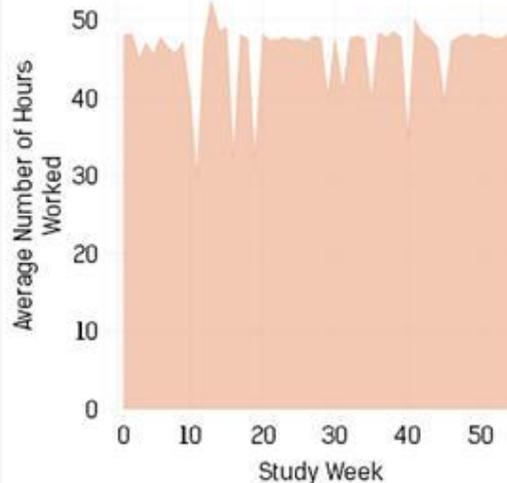
## GARMENT WORKER DIARIES



### Work Hour Volatility

Women reported working 46 hours in the weeks that they worked, and that average was relatively consistent between locations and job designations.

Viewing the average hours worked over the course of the study shows that the 48-hour work week was largely respected by employers, and it was not uncommon for workers to work slightly less than this maximum.



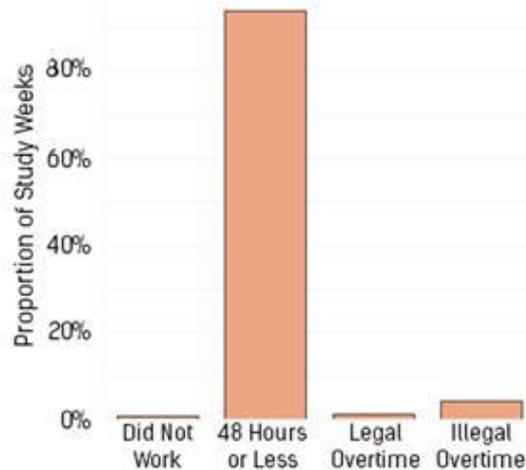
## GARMENT WORKER DIARIES



### Overtime Hours

The distribution of individual work weeks also shows that working overtime was very uncommon. In 93 percent of weeks, the women worked 48 hours or less. Women worked more than 48 hours in about six percent of weeks; however, in most of those overtime weeks, the women worked more than the six overtime hours per week allowed by state law.

Even with these potential violations, the women in Bangalore had the lowest average hours worked of women in the three countries and were least likely to work overtime.



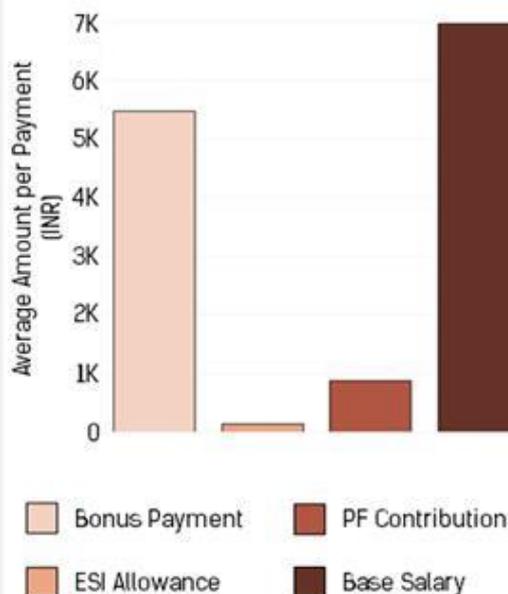
## GARMENT WORKER DIARIES



### Composition of Pay

Garment workers in our sample reported that their regular pay consisted of three main components: their monthly pay, a mandatory contribution to the Employees' State Insurance (ESI) program, and a mandatory contribution to the Provident Fund (PF, a state run pension program). In sum, these three payments were about 8,000 INR. However, workers' take-home pay was closer to 7,000 INR per payment because ESI and PF were automatically deducted from their total pay each month. As stated earlier, these deductions are technically benefits, and do not count toward calculations of workers' minimum wage.

About 80 workers also received one bonus during the year: about 5,500 INR, which occurred during October 2016 right before several holidays, including Diwali.



## Direct Payments and Deductions

Unlike most garment workers in Bangladesh and Cambodia, the workers we talked to in India reported that their salaries were automatically deposited into a bank account by their employer. As with many salaried employees in other parts of the world, the employer automatically deducted the employees' PF and ESI contributions.

Although workers were paid digitally, they lived in communities that transacted in cash, which means that after each pay period, workers had to withdraw money from ATMs. This was a challenge for some: some ATMs were far away, queues could be long, and the ATMs sometimes ran out of cash. These challenges may explain why many women chose to withdraw their entire salary after they were paid during one trip to the ATM.

## Hourly Wage Calculation

While take-home pay is an important metric for understanding living wages, as it is the money in workers' pockets, it is also important to understand whether workers' pay meets the minimum wage on an hourly basis. Doing so helps illuminate whether workers are paid consistently and fairly for the time that they work.

MFO calculated workers' hourly rate based on the gross wages they reported, exclusive of non-eligible payments such as those into the government pension fund. Formal minimum wage rates set by the State of Karnataka are used to compare calculated wages to legal wage rates. In instances where a worker's designation could not be determined, MFO used the lowest, legal minimum wage as a point of comparison. This allowed MFO to identify workers falling below the lowest minimum wage, but may not represent fair pay based on their actual pay grade.

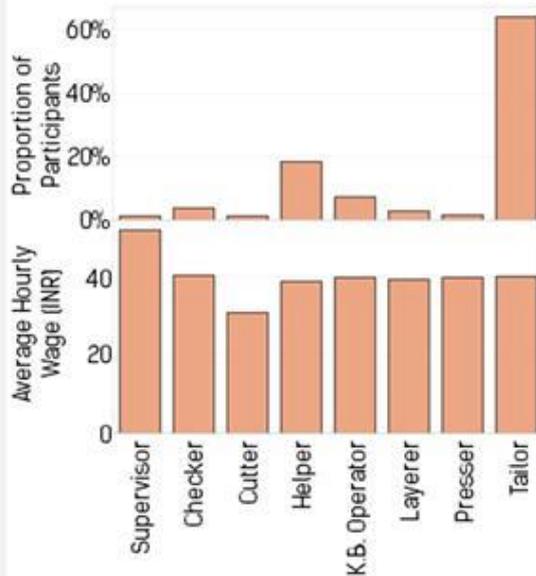
The hourly wage calculations assume that a regular work week is 48 hours or less and that workers receive double their hourly rate for any overtime hours worked in accordance with State law.

[Hourly Wage Data](#)

## GARMENT WORKER DIARIES

### Hourly Wages

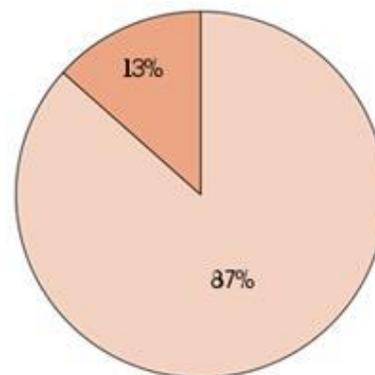
On an hourly basis, women earned the equivalent of 39.68 INR, and that number varied by workers' designations. The two cutters, who are considered unskilled labor, earned only 30.75 INR per hour, while the two supervisors earned 51.68 INR per hour. Tailors, the most common designation, earned 39.93 INR per hour.



## GARMENT WORKER DIARIES

### Minimum Wages

Most workers earned an hourly wage that was equal to or greater than the minimum hourly wage for their designation. However, some workers, over the course of the year, reported not earning the minimum wage.



- Above Minimum
- Below Minimum

## End of Chapter Summary

Most women in our sample worked as tailors in their factories, but women also reported working in a variety of other roles including as supervisors and as unskilled cutters.

Of the women who began the study, 96 percent remained employed full-time throughout the year. When these women worked, they typically worked 48 hours per week or less, regardless of the position, indicating a high degree of compliance with the labor law.

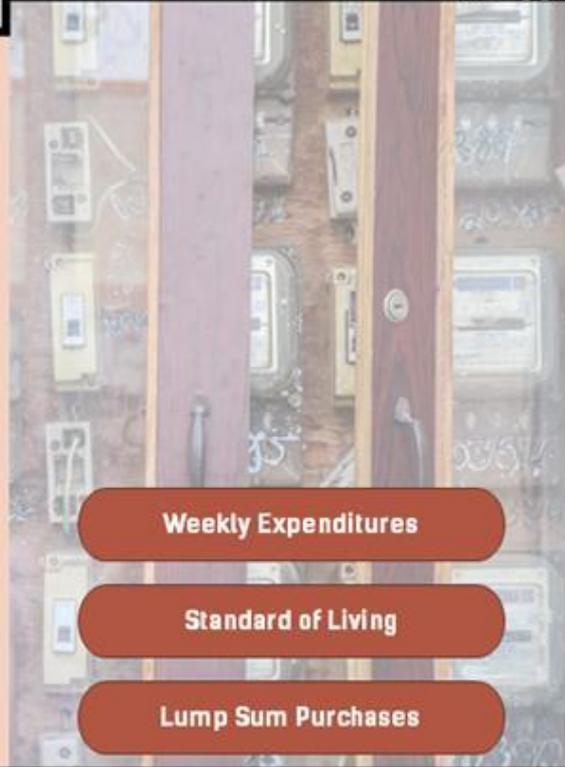
The State of Karnataka sets a legal minimum wage for these women based on their designation. For a typical work week, the lowest-paid designation should earn about 35 INR per hour. Women in our sample earned almost 40 INR per hour, and 87 percent of women averaged an hourly rate at or above the minimum wage during the year.

Women who did not receive the legal wage were also unlikely to earn more during overtime hours, while women who did receive the minimum wage also reported earning more when they worked these hours.



## Chapter 3: Expenditures

On average, women spent most of their money on food as well as household items and basic services, including health care. While all women reported some housing expenses, like paying the electric bill, those who paid rent had a much greater burden—renters spent about 1,600 INR more per month than home owners. This extra expenditure left them with less money to pay for food and other basic items and to buy goods and services that could improve their quality of life.



Weekly Expenditures

Standard of Living

Lump Sum Purchases



## Weekly Expenditures

The following slides will review participants' expenditures over the course of the study. MFO categorizes expenditures into the following groups:

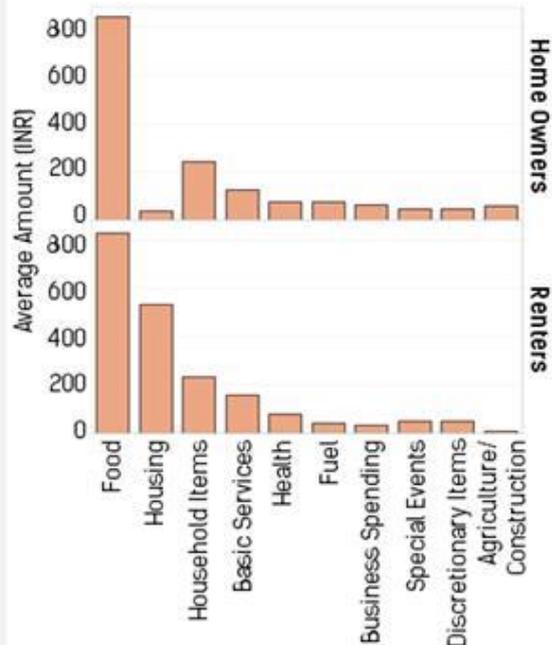
1. *Food*: Unprepared and prepared food
2. *Housing*: Rent and utility payments
3. *Health and Basic Services*: Health, personal hygiene, transportation, education, and communication/airtime
4. *Household Items*: daily household items (cleaning supplies, clothes, utensils, etc.)
5. *Fuel*: LPG, gasoline, and solid fuels (wood, charcoal, dung)
6. *Agriculture and Construction*: Fertilizer, pesticides, other farm inputs, building materials (bricks, sand, cement, doors, roofing materials, etc.)
7. *Special Events*: Wedding, funerals, birthdays, and religious donations
8. *Other*: Recreational substances, electronics, cosmetics, leisure items, etc.



## Average Weekly Spending

How much a woman spent per week differed based on whether she paid rent for her home or not. Women who rented their homes spent almost 2,000 INR per week on average, while home owners spent 1,600 INR per week. The difference in average weekly housing expenses explains all of this difference.

Aside from housing, the two groups' weekly expenditures were very similar. On average, women spent about 800 INR each week on food and about 360 INR on household items and basic services. Spending on the six remaining categories totaled about 340 INR.



## Transaction Frequency and Size

Weekly averages are important for showing how much women typically spent each week, but this approach hides two other important pieces of information: how frequently those different types of transactions occurred and how large those transactions were when they happened.

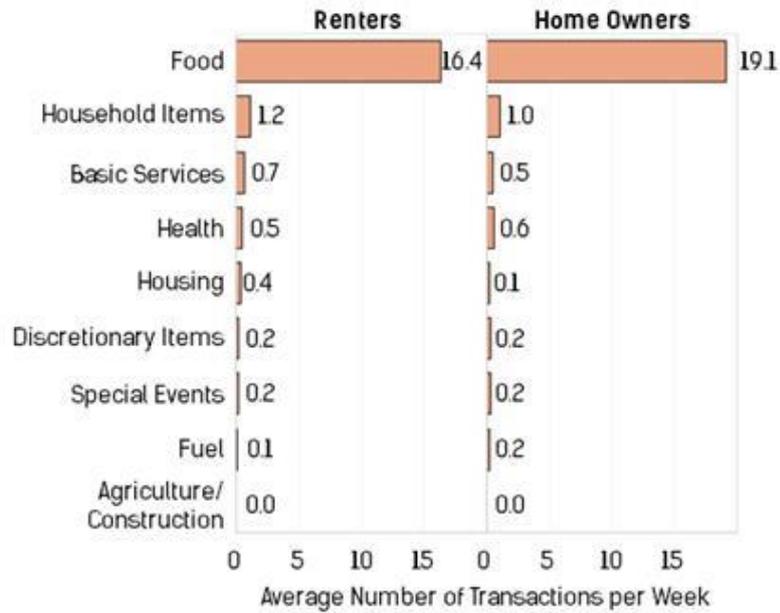
For example, women spent the most each week on food, but they did this by making nearly 18 purchases each week, suggesting that the individual transactions were smaller. The transaction size data supports this—the average food transaction was just more than 100 INR.

The previous slide noted the difference between renters and home owners. The transaction frequency data shows that the two groups made about the same number of housing-related transactions per week (about one), but the average transaction size for renters was much larger—almost 1,500 INR compared to about 260 INR for home owners. The difference was driven by large rent payments.

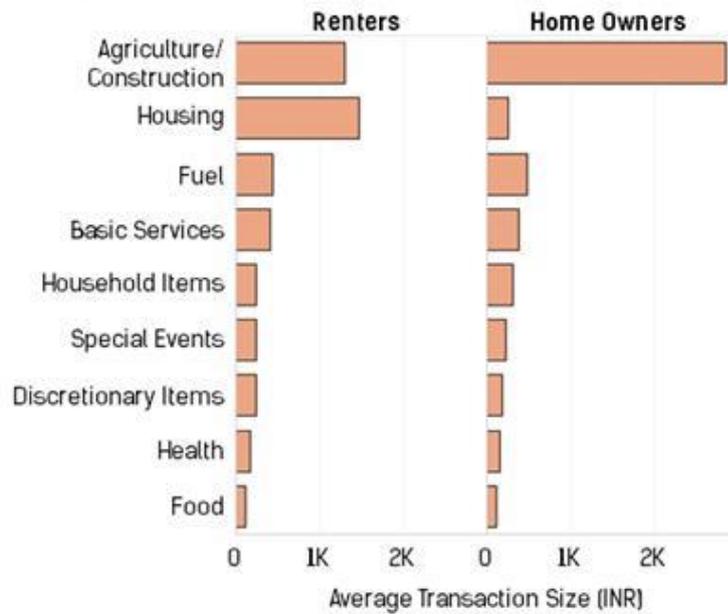
**Transaction Size and Frequency**



### Transaction Frequency



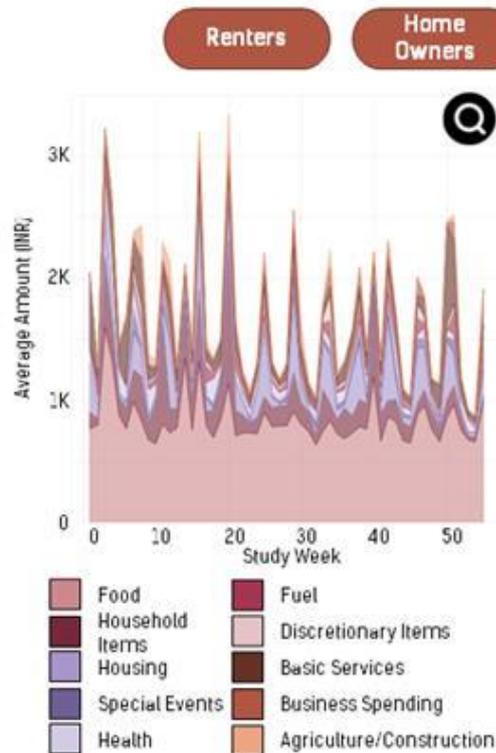
### Average Transaction Size



## GARMENT WORKER DIARIES

### Spending Across Weeks

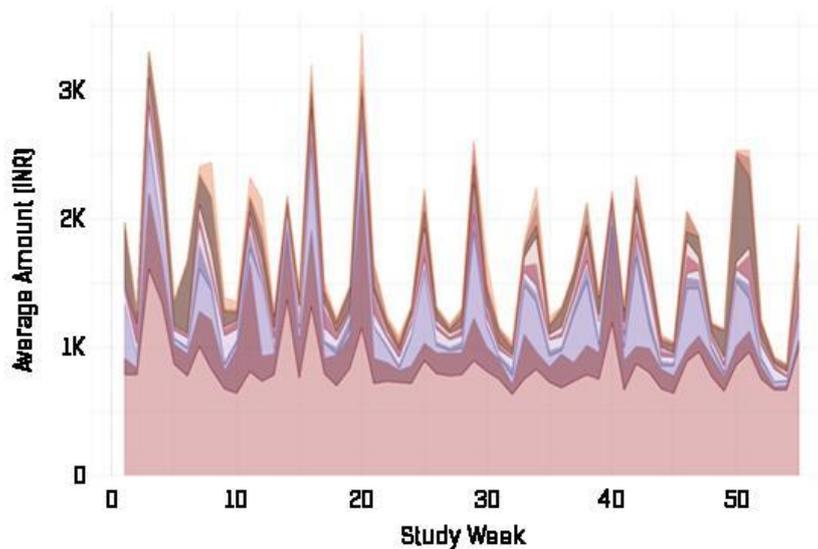
Examining spending across weeks can provide insight into when particular types of transactions occurred. For instance, this graph shows that total spending tended to spike about every four weeks, suggesting that there was a surge of spending that correlated to workers receiving their pay checks. Furthermore, it shows that certain categories of spending were more volatile than others. Spending on food was large and relatively stable compared to spending on housing which was large but concentrated in particular weeks.



## GARMENT WORKER DIARIES

### Spending Across Weeks

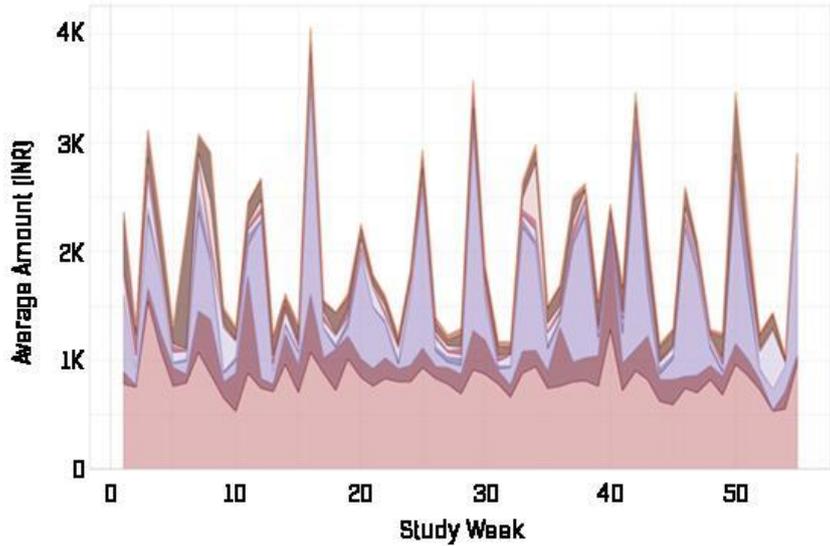
- Food
- Household Items
- Housing
- Special Events
- Health
- Fuel
- Discretionary Items
- Basic Services
- Business Spending
- Agriculture/Construction



**GARMENT WORKER DIARIES**

**Spending Across Weeks Renters**

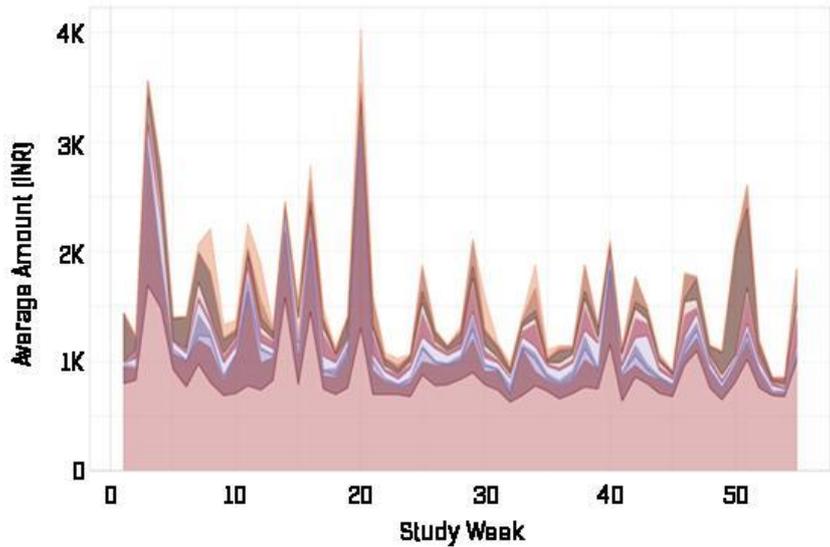
- Food
- Household Items
- Housing
- Special Events
- Health
- Fuel
- Discretionary Items
- Basic Services
- Business Spending
- Agriculture/Construction



**GARMENT WORKER DIARIES**

**Spending Across Weeks Home Owners**

- Food
- Household Items
- Housing
- Special Events
- Health
- Fuel
- Discretionary Items
- Basic Services
- Business Spending
- Agriculture/Construction



## Improving Standard of Living

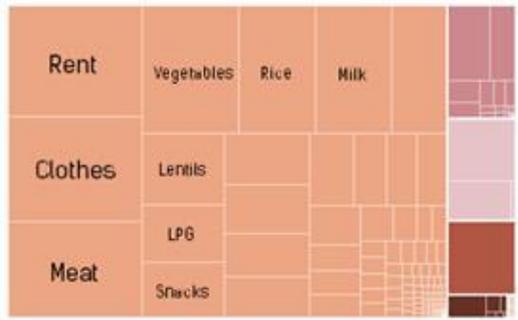
Another way to categorize spending on goods and services is to think about whether the purchase is for immediate consumption or whether it represents an investment in improving an individual's standard of living. Goods and services for immediate consumption are non-durable. While they are important for day-to-day living, they do not typically result in major shifts in standard of living. Goods and services to improve standard of living can be:

- **Agricultural Inputs:** Agricultural inputs allow for subsistence farming as well as income-generating production.
- **Durable Goods:** Assets likely to last several years like pots and pans or motorcycles
- **Education Investment:** For adults and children; education is linked to better economic outcomes
- **Labor Hire:** An investment in the production of a product; often used in farming to help with harvest or in the construction of a home
- **Medical Care:** Improving health improves quality of life

## Standard of Living Expenses

The vast majority of money spent was on non-durable goods and services, suggesting that participants rarely made asset purchases or other purchases that would lead to medium or long term improvements in their standard of living. Due to housing costs, rent payers spent less of their money on goods and services that could improve their standard of living.

Segments

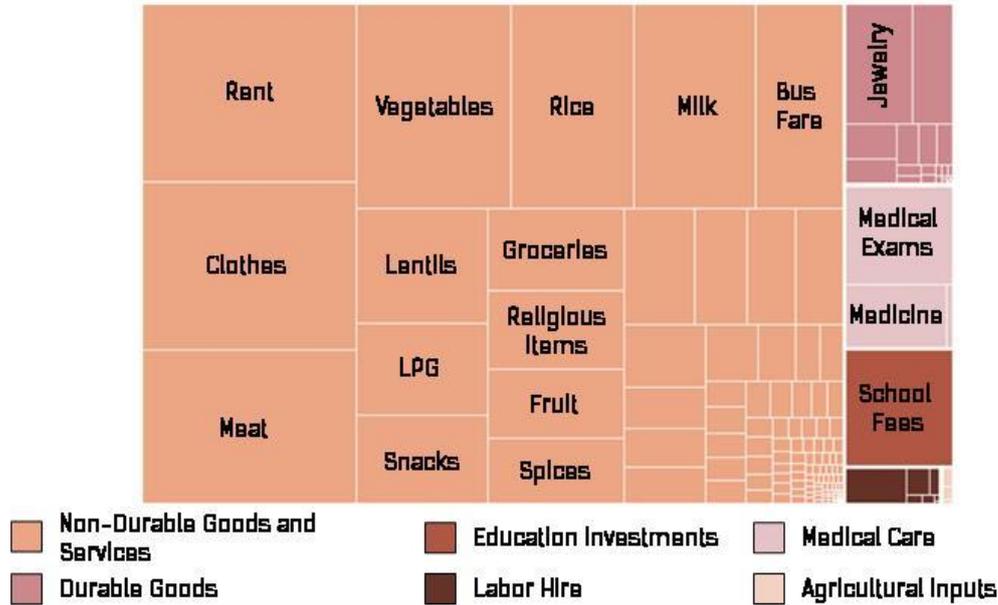


- Non-Durable Goods and Services
- Labor Hire
- Durable Goods
- Medical Care
- Education Investments
- Agricultural Inputs



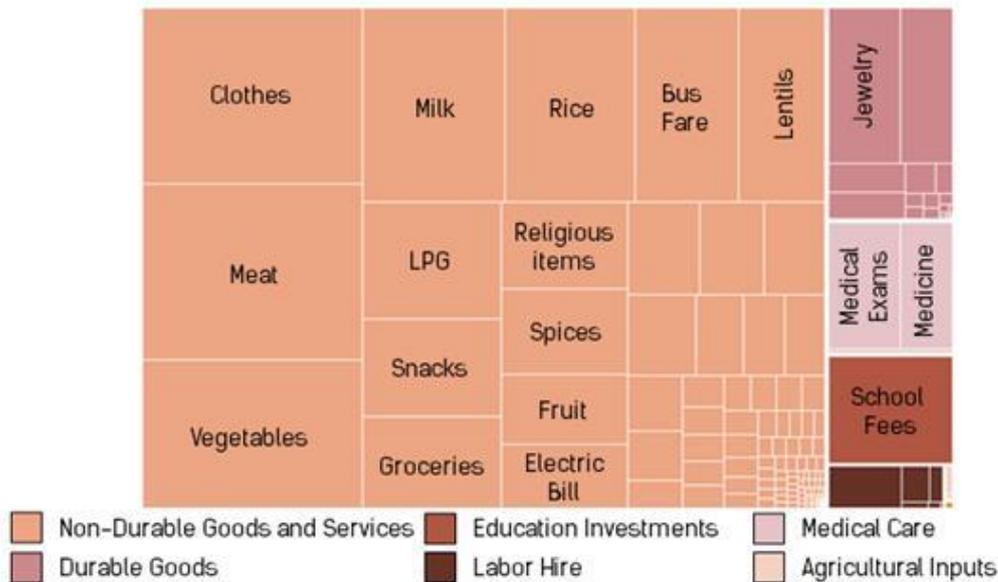
GARMENT WORKER DIARIES

Share of Money Spent by Item and Category

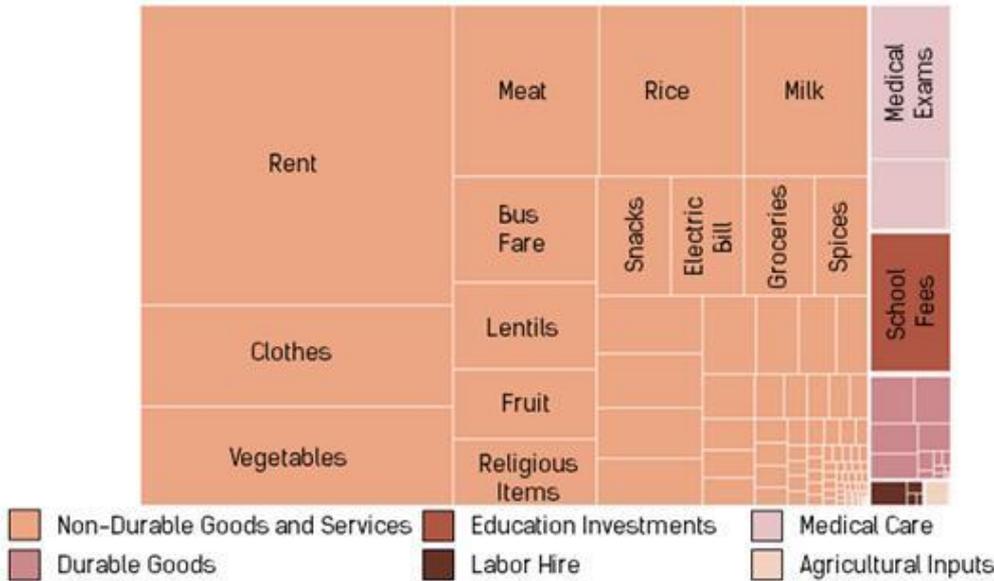


GARMENT WORKER DIARIES

Share of Money Spent by Item and Category: Home Owners



## Share of Money Spent by Item and Category: Renters



## Lump Sum Purchases

Lump sum purchases are those that are especially large for a participant. MFO identifies these purchases by looking at expenditures that are more than three standard deviations away from the average purchase for each participant. Lump sum purchases are important for understanding workers' economic lives for two main reasons:

1. *Lump sum purchases require lump sums of cash.* If participants are not making major purchases, then they are either struggling to build sums of cash or holding on to cash instead. Which circumstance is true and why can provide insight into levels of financial stress.
2. *The types of purchases participants make tell you about their condition.* For low-income households, major purchases on basics like housing, food, medical care, or education rather than assets may indicate difficulty in improving standard of living.

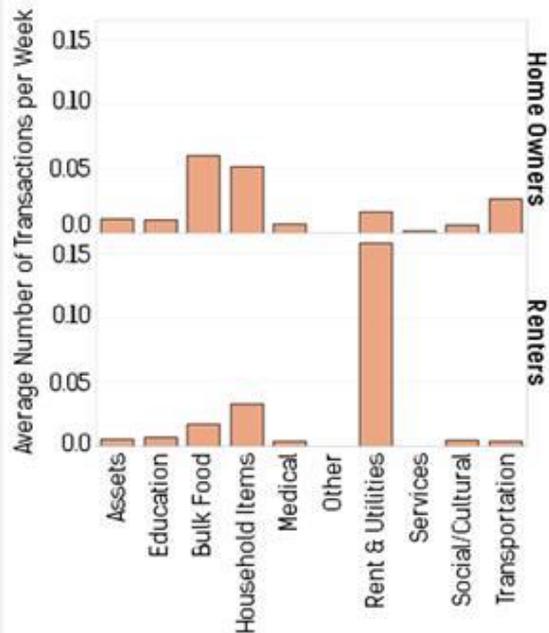
Lump Sum Purchases



### Lump Sum Purchases

The women in India made a lump sum purchase about once every 5 weeks on average, but the type of purchases these women made varied by whether they paid rent or not.

Rent was the most common major expenditure for those that had to pay it, and they were less likely to make major purchases of any other type. In comparison, the most common major purchases by non-rent payers were on food and household items, including clothing. In other words, women who did not pay rent had more money available to make major purchases to improve their lives in the short- and long-term.



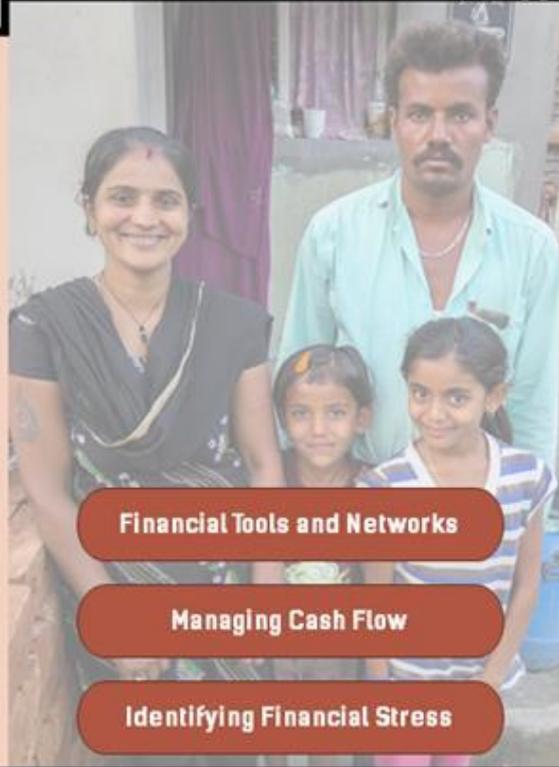
### End of Chapter Summary

On average, women spent about 800 INR per week on food and close to 800 INR on other items, including everything from utility bills to sanitary pads to cooking supplies. However, there was a group of women who were responsible for paying rent, and these rent payments were large, requiring them to spend about 1,600 INR more per than non-rent payers.

These rent payments had a significant effect on workers' cash flows. Not only did they have a large, regular monthly expense, but this expense crowded out other spending. Women who paid rent spent less on goods and service to improve their quality of lives than women who did not pay rent. Furthermore, women who paid rent made non-rent, lump sum purchases less than half as often as the women who did not have to pay rent.

## Chapter 4: Managing Cash and Financial Stress

In addition to their income, workers in India relied on savings and cash transfers from their husbands to meet their expenditures. The data suggest that their husbands' income was very important to workers' well-being. The husbands' incomes pushed most workers into the lower-middle class, resulting in better food security and a focus on planning for their children's futures.

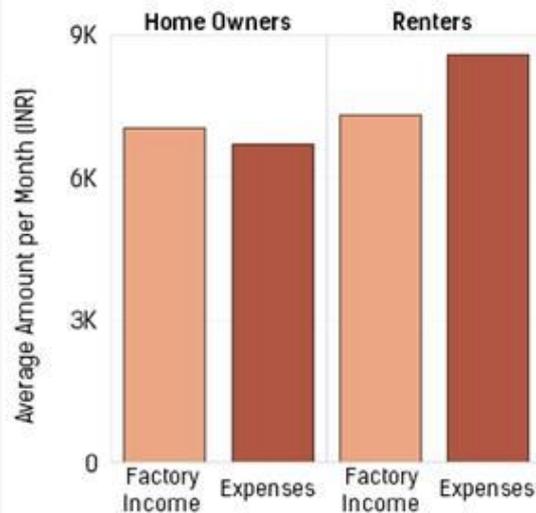


## Income vs. Expenditures

Did workers earn enough money to cover the expenditures for which they were responsible?

Women who owned their homes reported average monthly earnings that were large enough to cover average monthly expenditures—they even reported having a slight surplus each month. However, women who rented their homes faced a sizable deficit of over 1,200 INR.

What did women who had a surplus of cash do with it? How did women cope with deficits? This chapter will answer these questions, examining how the Indian garment workers used financial tools to manage their money and the degree to which these situations caused workers financial stress.



## Financial Tools

As the previous slide suggests, workers suffered from mismatches between their income and expenses. Mismatches result from a common circumstance: sometimes people do not have as much income as they need to meet their expenditures in a given moment. They may not have enough money to meet their expenses this month, but they may have had extra money last month; or they do not have enough money this month, but they anticipate having extra money next month. How do people manage these mismatches in time?

The answer is financial tools: savings, cash transfers, loans, and insurance. Each can be used to respond to the situations described above. Saving allows people to take extra money from the past and apply it to a present need, while loans do the opposite: loans use the promise of future money to pay for needs today. Cash transfers—which do not have a stipulated obligation to repay—allow people who have money now to transfer it to those who do not. There are many insurance models, but fundamentally they all do the same thing: they use small payments now to protect against a large, unexpected payment in the future.

## Financial Networks

Financial tools are used in financial networks: people must have access to a lender to get a loan, and a cash transfer requires a sender and recipient. Financial networks are composed of formal and informal financial service providers (FSPs) and family and friends.

Formal FSPs are regulated by government entities: these include banks, microfinance institutions, lending companies, mobile money providers, and insurance companies. There are also informal FSPs: these are unregulated organizations and individuals, such as savings groups or village moneylenders.

For savings and lending, both formal and informal FSPs tend to be the “other half” of the transaction, acting as the deposit holder and lender. However, they can also serve as an intermediary—banks or mobile money providers that facilitate the transfer of cash (often for a fee) are a good example of this. However, for this analysis, MFO did not focus on the intermediary role.

Family and friends can utilize financial tools too. Friends can borrow from each other, and one friend may ask another to keep valuables safe. They also transfer money back and forth to each other, often as gifts. Individuals can provide themselves with a service by saving money in a safe space at home (like under the mattress).

## Workers' Tools and Networks

Which tools and what types of networks did workers use? The tables in this sub-section show that workers relied on savings the most: 77 percent of all financial transactions involved savings (either a deposit or withdrawal), and 79 percent of all financial flows involved money moving in to or out of a savings account. The tables show that roughly half of the cash that flowed through savings went in and out of workers' home savings, while much of the rest involved a formal financial service provider. As this chapter will show, the majority of those flows were the result of women withdrawing cash from their bank account following a direct deposit by their employers.

The second most common financial tool—by frequency of transaction and volume of cash—was cash transfers. However, as this chapter will also show, most of those cash transfers occurred *within* the household. Workers did not make frequent use of loans. And outside of ESI, which is mandated by the government and automatically deducted from workers' paychecks, there were no insurance transactions.

Tools and Networks  
Summary Tables

Savings  
Data

Cash Transfers  
Data

Loan Data

## Workers' Tools and Networks

Table 1: Share of Total Number of Financial Transactions

Financial Tools	Financial Networks				Grand Total
	Formal	Informal	Family and Friends	Self	
Cash Transfer	0%	0%	17%	0%	17%
Insurance	0%	0%	0%	0%	0%
Loan	0%	4%	2%	0%	6%
Savings	10%	22%	0%	44%	77%
<b>Grand Total</b>	<b>11%</b>	<b>26%</b>	<b>19%</b>	<b>44%</b>	<b>100%</b>

Table 2: Share of Total Amount of Financial Transactions

Financial Tools	Financial Networks				Grand Total
	Formal	Informal	Family and Friends	Self	
Cash Transfer	0%	0%	15%	0%	15%
Insurance	0%	0%	0%	0%	0%
Loan	0%	4%	2%	0%	6%
Savings	32%	7%	0%	40%	79%
<b>Grand Total</b>	<b>32%</b>	<b>11%</b>	<b>17%</b>	<b>40%</b>	<b>100%</b>

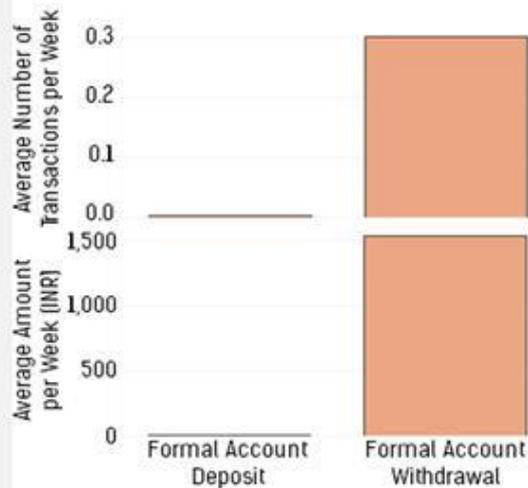
## Saving

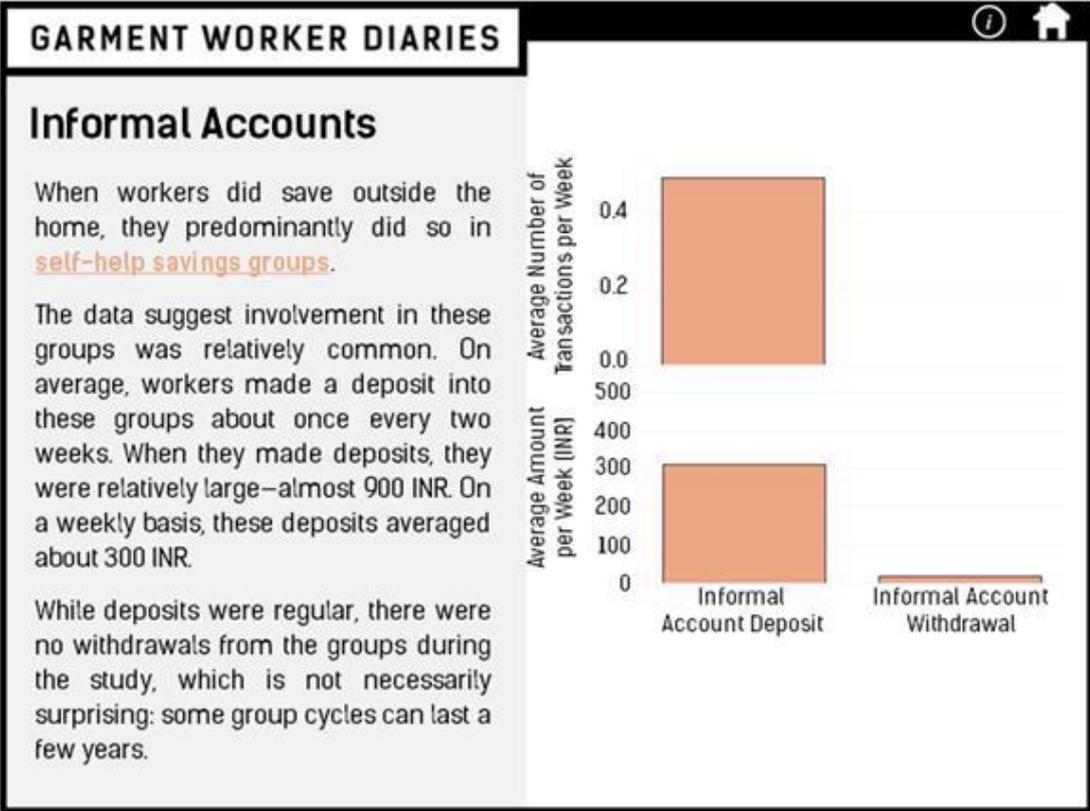
Workers used three different methods to save:

- *Formal Accounts:* Accounts with banks, in which their wages were electronically deposited
- *Informal Accounts:* With community savings groups, in which workers made regular, small deposits for a pre-determined period of time, receiving the balance of what they had saved at the end of the period
- *Home Savings:* Money the worker would keep at a safe place at home; although it was at home, women would still “deposit” money into this safe location and “withdraw” it when they were in need

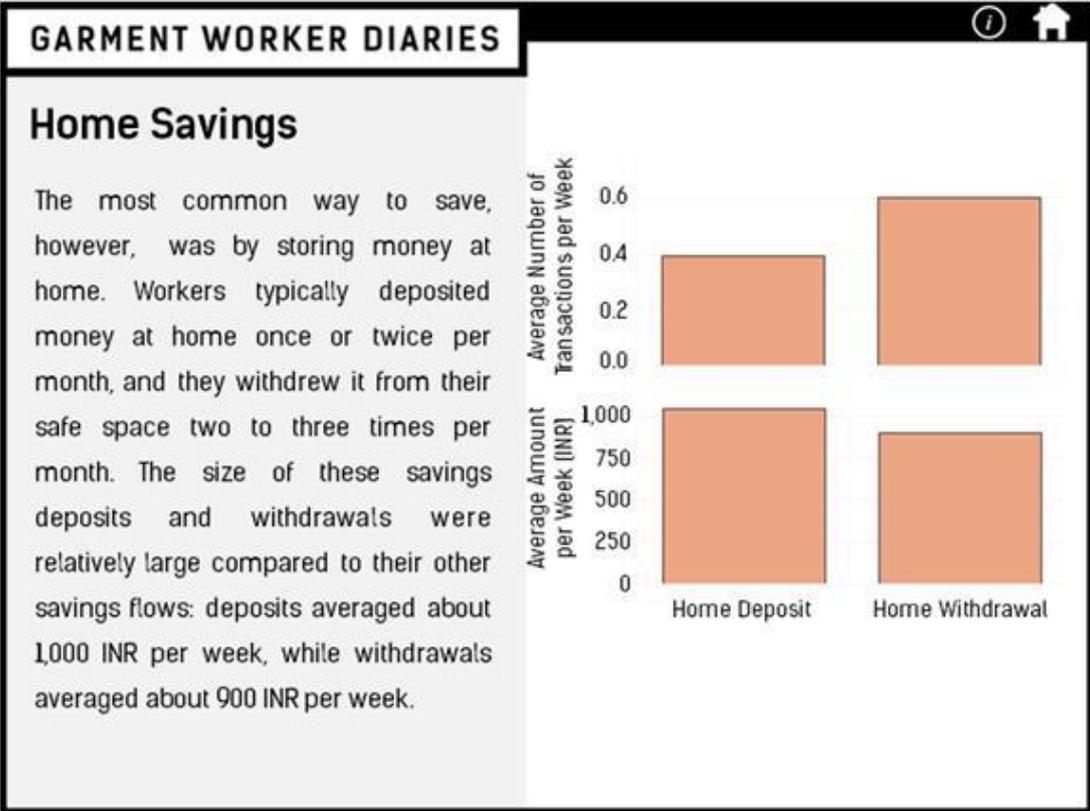
## Formal Accounts

The data show that workers virtually never made cash deposits into their accounts. Workers made withdrawals slightly more frequently than once per month. In reality, workers were often withdrawing almost all of their factory earnings at once, immediately after they were paid. On average, this was equal to about 1,500 INR per week.





Self-Help Savings Groups [Link](#)

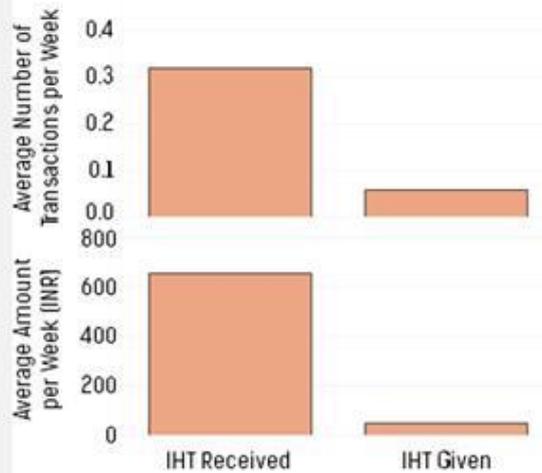


## GARMENT WORKER DIARIES

### Cash Transfers

After savings, cash transfers were the most common type of financial tool the women used. The vast majority of these cash transfers involved people within the women's households and are thus referred to as intra-household transfers (IHT).

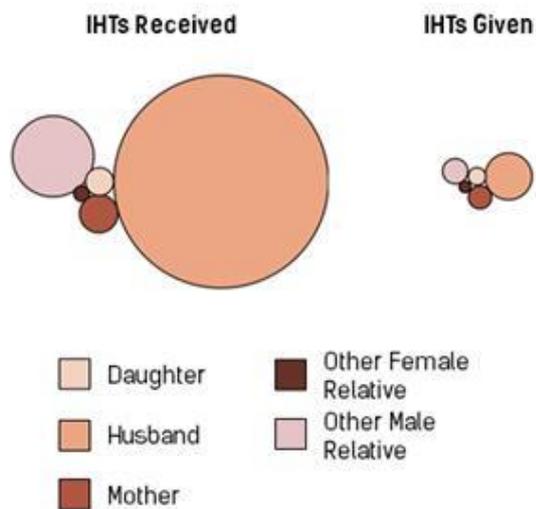
The data show that women received an IHT about once every three weeks but rarely gave one. The IHTs that the women received were very large—they averaged about 670 INR per week.



## GARMENT WORKER DIARIES

### Intra-Household Networks

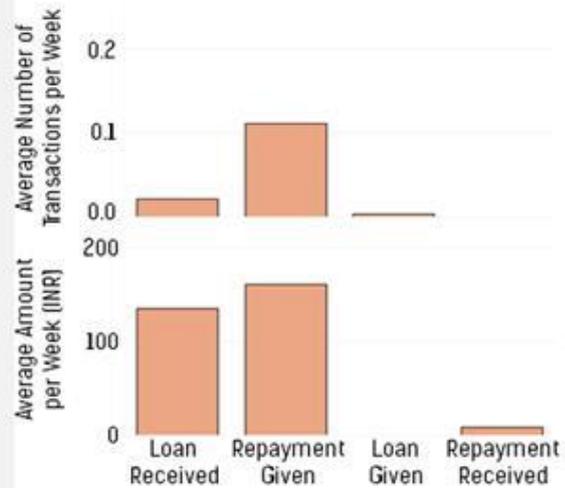
Women received much more in transfers than they gave away, and within the household, the most important pass-through was between husbands and wives. Specifically, transfers from husbands to wives dominated these financial flows.



## Loans

It was very uncommon for the women in our sample to receive loans. On average, respondents took one loan per year and made a loan repayment about once every two and a half months.

When workers received loans, they were rather large—about 7,000 INR—but they happened so infrequently that they had little effect on week-to-week cash flows.



## Managing Cash Flow

The previous sections established that workers had a need for financial tools as women who owned their homes faced average weekly surpluses and renters faced average weekly deficits. It also showed that savings and cash transfers were the primary financial tools workers used. But how do all of these things—factory income, expenditures, savings, cash transfers, and other financial tools—fit together? In other words, how are they used in practice?

To answer that question, consider spending in two different types of weeks:

- *Payment Weeks* – the chapter on expenditures established that a significant amount of spending occurred in these weeks
- *Non-Payment Weeks* – these were the weeks in which workers faced deficits; since they were not being paid, they had to rely on financial tools to meet their expenditures

In addition to comparing these time periods, the following graphs compare the experience of non-rent and rent paying workers.

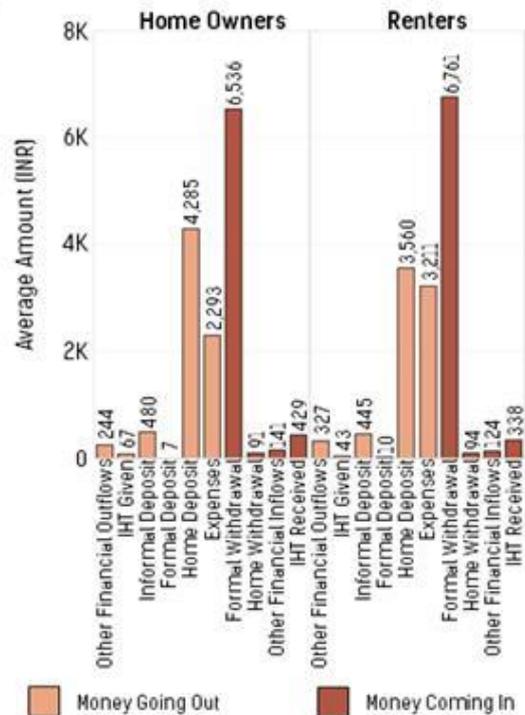
## GARMENT WORKER DIARIES

### Pay Weeks

In weeks when the women were paid, they withdrew their cash from their bank account (formal withdrawal). This gave them enough cash to cover their expenses for the week (but note how much higher rent-paying workers' expenses were).

Despite covering their expenses with their income, both types of workers pulled in cash from other financial tools. Inflows from IHTs were the largest of these flows, but the women relied on other tools (loans, cash gifts from friends, home savings) also. This helped fund the cash they pushed out to other tools such as cash transfers given, loans repaid, and deposits into savings groups.

They took their balance of cash and deposited it in home savings.

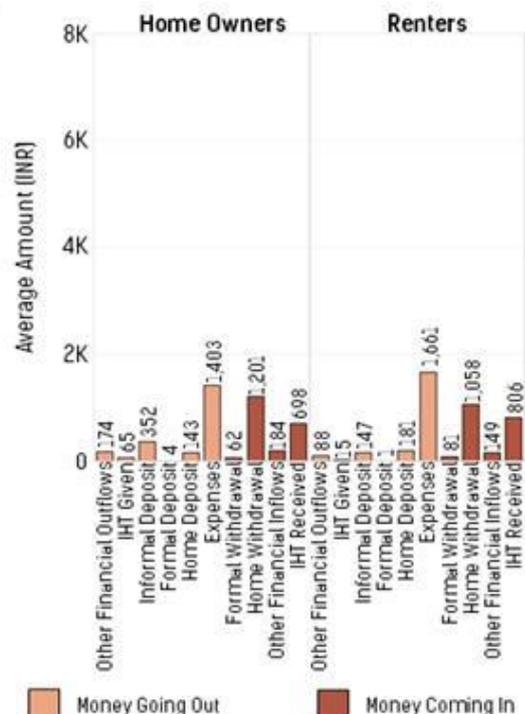


## GARMENT WORKER DIARIES

### Non-Pay Weeks

In weeks when workers were not paid, their household expenses were much smaller. This was partly due to monthly expenses—like rent and utility payments—aligning with workers' pay schedules, so they did not happen during these non-pay weeks.

Workers relied on financial tools in these weeks, and home savings was the primary source of cash. However, workers did not pull in enough cash from home savings to meet their expenses. Typically, they also received a large IHT. This additional cash allowed them to meet their household expenditures as well as make any necessary loan repayments or cash transfers. It also enabled them to deposit some cash into their savings groups and back into their home savings.





## Identifying Financial Stress

There is no objective measure of financial stress—it is relative to personal experience and context. A garment worker may be under less financial stress than a farmer in the same country but may face more financial stress than a lawyer. With that in mind, MFO considers four criteria when discussing stress:

1. Participants' reported standard of living at the outset of the study, including things like asset ownership and poverty-level.
2. The purchase of goods and services to improve their standard of living during the study.
3. Participants' access to and use of financial tools, including savings, cash transfers, loans, and insurance.
4. The degree to which participants cutback on purchases, especially of necessities, as a means of managing their expenditures.



## Identifying Financial Stress

What do the data from previous chapters and this chapter tell us about financial stress?

The data from Chapter 1 showed that households had standard household appliances—basic furniture, stoves, pressure cookers, and cell phones. Chapter 3 showed that the majority of their spending went to non-durable goods and services. While these purchases undoubtedly improved workers' short-term quality of life, there were limited purchases that would have a significant, long-term impact.

This chapter showed the workers had adequate access to financial tools—they managed their savings, cash transfers, and loans to meet their household expenditures. Furthermore, their reliance on IHTs underscored an important point: that these workers had another significant source of income in their households. In fact, with this other household income included, not a single worker lived below the international poverty line. In fact, the median daily per capita income was near \$6.

Collectively, this suggests a profile of women living in the lower middle class of India. But what about the final point: do these women have to cut back to meet their expenses?

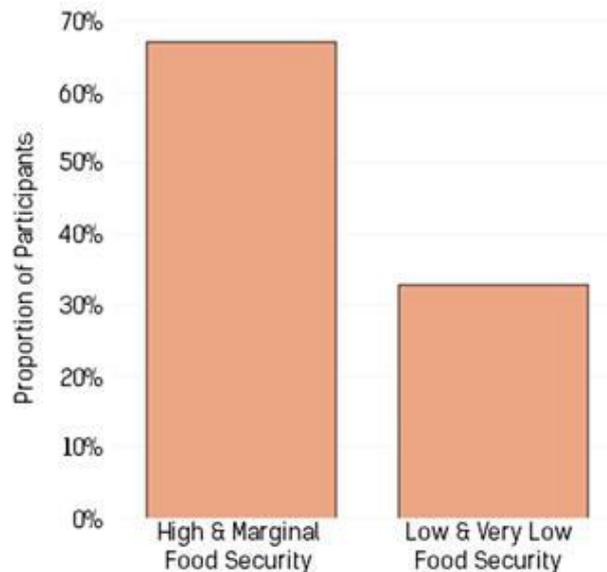
## Food Security

A household's food security level is one piece of information to determine the degree to which they are facing financial stress. Food security surveys are a common measure of people's access to adequate and nutritious types of food. They are useful for evaluating financial stress because cutting back on food suggests that the body, rather than the wallet, has to absorb the shock and thus provides a useful, non-cash marker of stress.

The data show that 33 percent of workers had limited or uncertain access to food at some point during the previous 12 months. A central component of the food security questions is the degree to which money is a barrier to getting more or better quality food, and these results suggest that cash was a barrier at times. While a third of workers not having regular access to adequate and quality food is striking, it was the lowest of the three countries. Sixty-one (61) percent of workers in Bangladesh and 52 percent of workers in Cambodia reported being food insecure.

Food Security

## Food Security



## Savings Goals

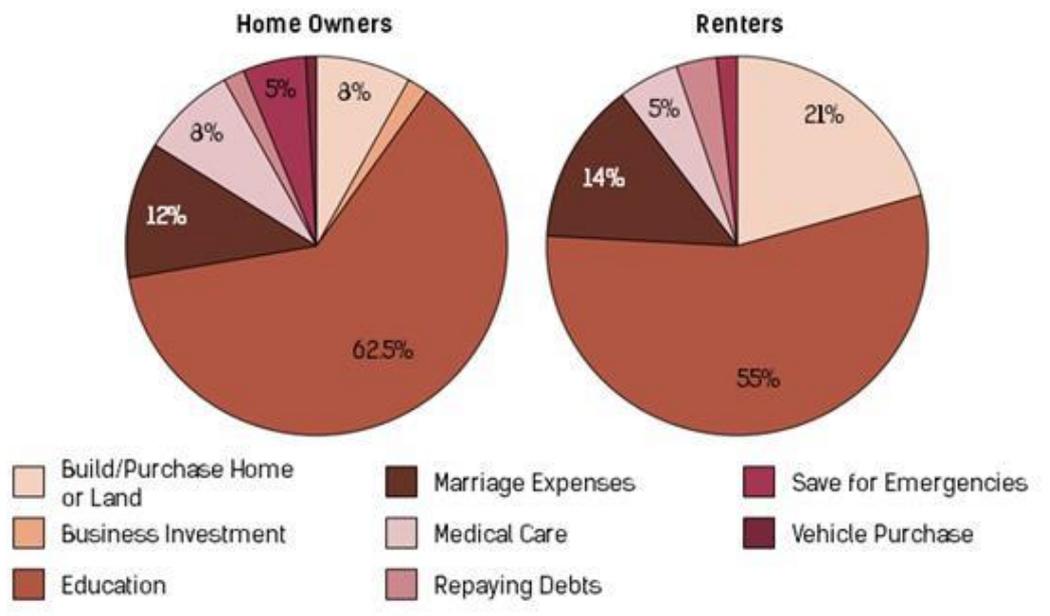
Another way to understand an individual's stress and her current cash management decisions is to understand her goals and desires. To that end, MFO asked workers two questions:

- What is your number one savings goal?
- If you unexpectedly received a large sum of cash, what would you do with the money?

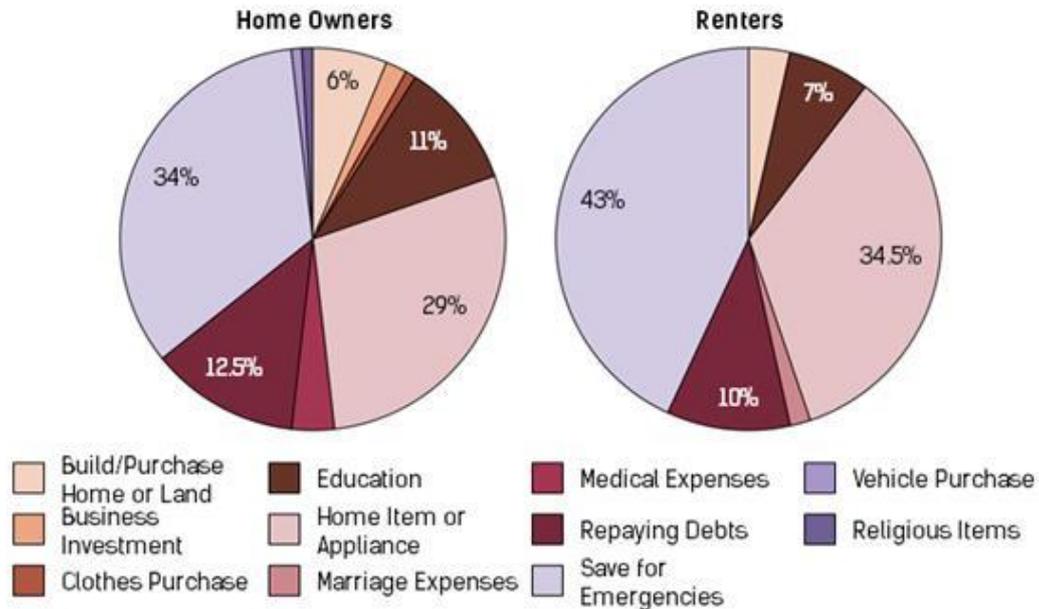
The answers revealed that more than half of workers' top savings goal was children's education. Saving for a house was the number two savings goal for renters, while the number two savings goal for home owners was saving for their child's marriage. Collectively, these goals suggest a more stable sample than seen in the other two project countries. If these workers received an unexpected large sum of money, many would choose to save the money for a time of need, while a large minority would save it to purchase new household appliances.

Savings Goals and Cash Windfalls

## Savings Goals



## Cash Windfalls



## Financial Literacy

**Financial literacy** is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions. While not conclusive, research suggests a link between an individual's financial literacy and how she manages her money.

MFO conducted a financial literacy test, adapted from the [Organization of Economic Development and Cooperation's \(OECD\) financial literacy survey](#). The results showed a high level of literacy. The average score for the participants was 79 percent. For comparison, if these garment workers were their own country, their scores would place them among the ranks of countries like France, Finland, and Hong Kong.

Workers' high levels of literacy may contribute to their reliance on self-sufficient mechanisms-like cutting back and saving-to make ends meet rather than rely on high stress financial tools like loans.

## End of Chapter Summary

This chapter started by showing that workers needed to use financial tools to intermediate mismatches in their income. The financial tools they used most often were home savings and cash transfers, specifically intra-household transfers from husbands. Workers were able to use these tool to meet their weekly expenditures and engage in some long term savings.

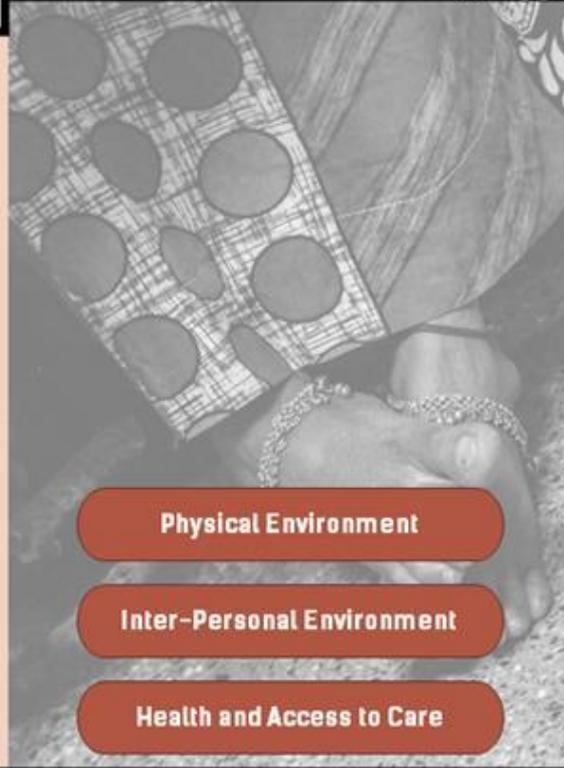
This chapter went on to show that workers do face some financial stress: most money was spent on non-durable goods and services, suggesting some difficulty in making long-term investments, and one-third of workers had poor food security.

Still, the workers appear more stable than workers in Bangladesh or Cambodia. Their per capita income places them in the lower middle class, and their top savings goal was their children's education, suggesting a level of comfort with future planning not seen in the other program countries, specifically Cambodia.



## Chapter 5: Life in the Factory

Life in factories in Bangalore is generally better than in Bangladesh and Cambodia. However, they do face high-levels of verbal abuse: many respondents report being insulted and/or humiliated in front of their peers. Furthermore, they cannot get leave from their factories to seek care when needed, dampening the usefulness of the ESI program.



Physical Environment

Inter-Personal Environment

Health and Access to Care



## Physical Environment

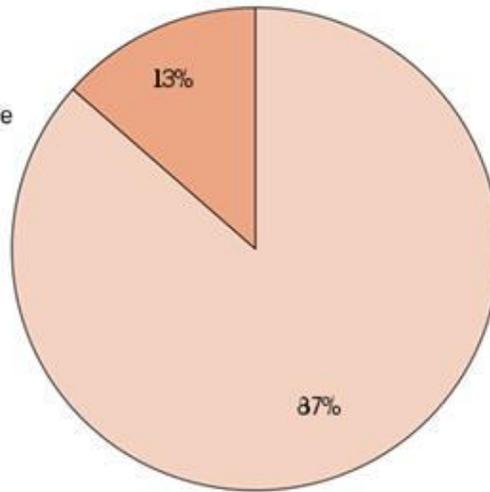
Of respondents in the three countries, those working in Bangalore reported the best working conditions. In Bangladesh and Cambodia, workers reported feeling unsafe to some degree, seeing fires, and being faced with locked exits in an emergency. Factories in these countries are also the site of some of the worst factory disasters in history.

That stands in stark contract to the working conditions reported in Bangalore factories, where workers generally reported that they felt safe all the time, had access to exits, and could use them in an emergency. During in-depth interviews, they reported that the facilities—from toilets to clinics—were in good working order.

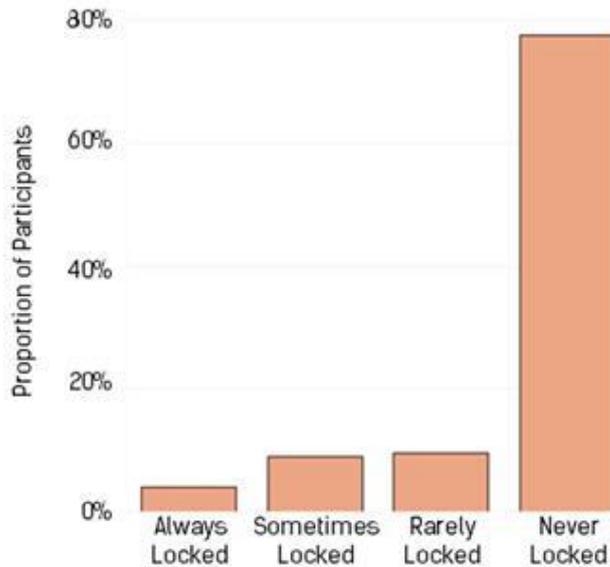
Physical Environment

### Safety in Factories

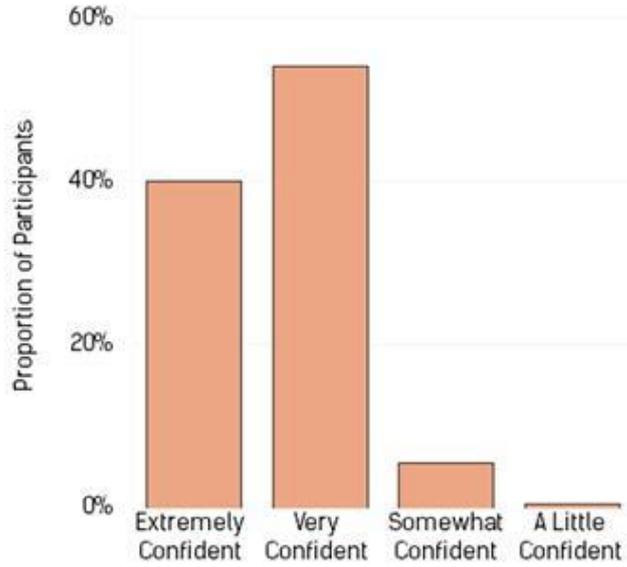
- Always feel Safe
- Sometimes Feel Safe



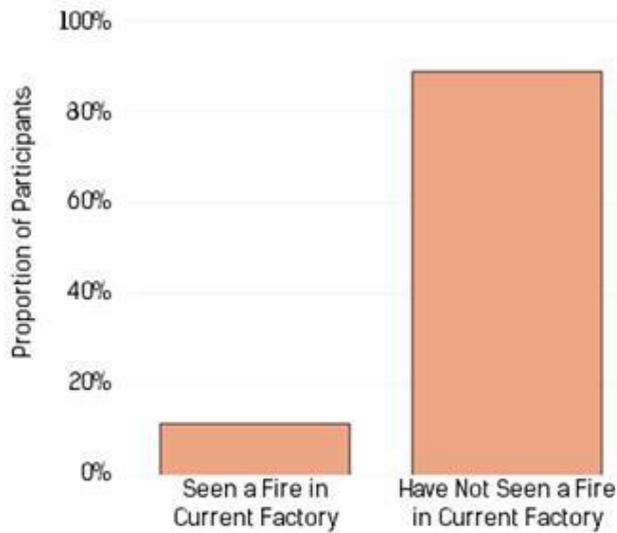
### Access to Emergency Exits



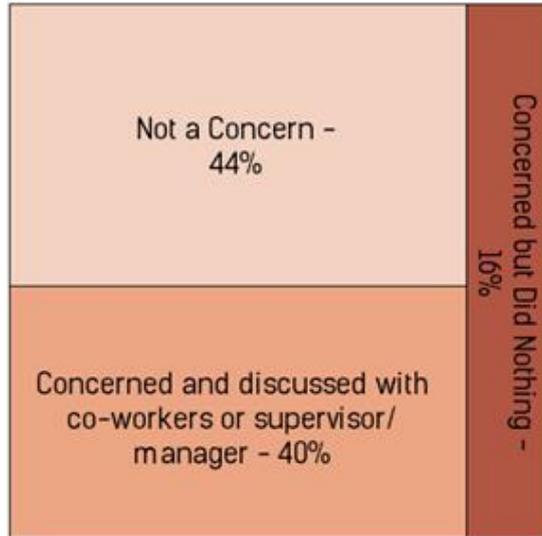
### Workers' Confidence in Using Emergency Exits



### Witnessed a Fire



### Concern about Airborne Pollutants



### Concern about Chemical Smells



## Inter-Personal Environment

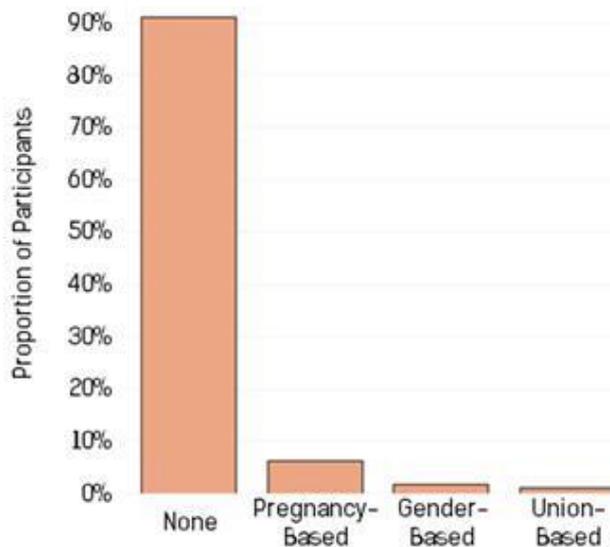
Generally, workers in India reported that their factories were free of discrimination in the hiring or firing process—more than 90 percent of workers reported they had seen no evidence of discrimination at their current factories.

However, there were interpersonal conflicts. More than half of respondents reported being insulted by their supervisors, and about one-third reported that they were humiliated in front of their peers at some point. Thankfully, most workers reported that physical abuse was rare, and if there were instance of any type of physical abuse, they could go to their human resource departments.

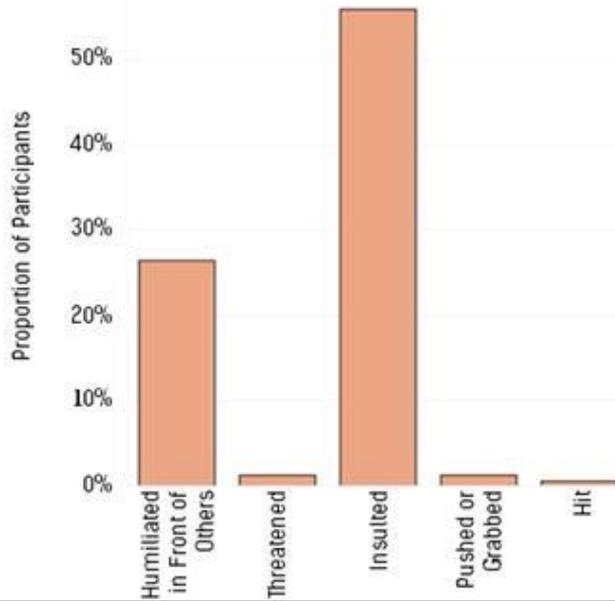
Those departments may be workers’ best recourse as 93 percent were not members of a union. Unions were not pervasive here as they were in Cambodia, and workers saw little benefit to union membership.

Inter-Personal Environment

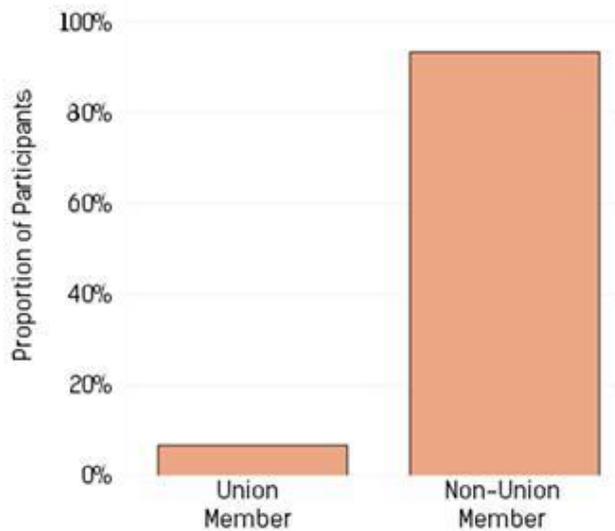
## Workplace Discrimination



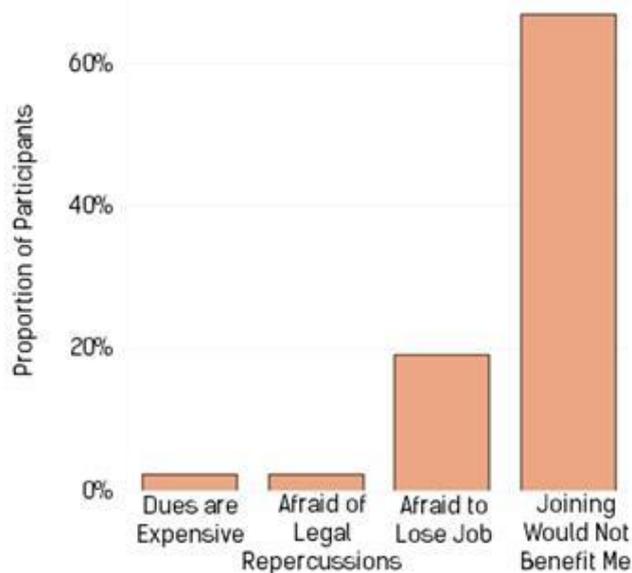
### Workplace Harassment



### Union Membership



## Reasons for Not Joining a Union



## Health and Access to Care

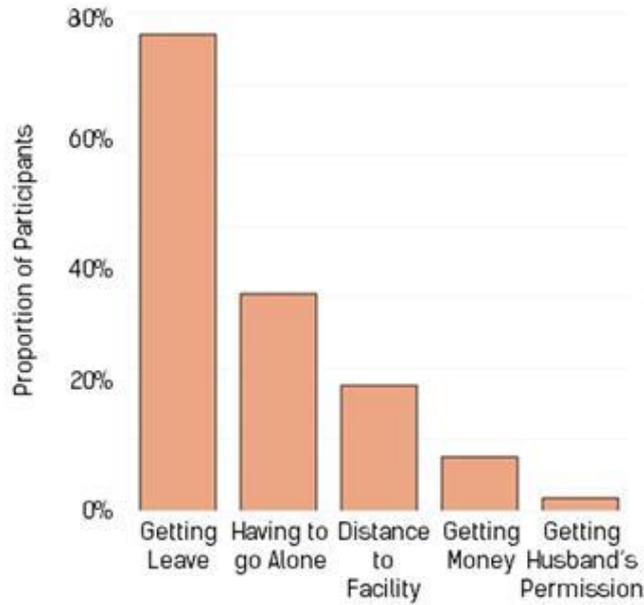
In other country reports, access to health care is addressed in other sections, but we address it here in this report because of the nuances of accessing care in Bangalore.

Workers in India are required to pay into ESI. As part of that program, workers who need medical care and want to use their insurance must either seek care at an ESI facility or seek care at a non-ESI provider and attempt to be reimbursed. Unfortunately, most health centers and all offices where workers can get reimbursed are only open during normal business hours, which is also when garment factories operate.

Consequently, workers would have to take leave from the factory to seek care at these centers or seek reimbursement for their insurance, and that is unlikely to happen: two-thirds of workers say that getting leave from the factory is a big barrier to being able to seek medical care.

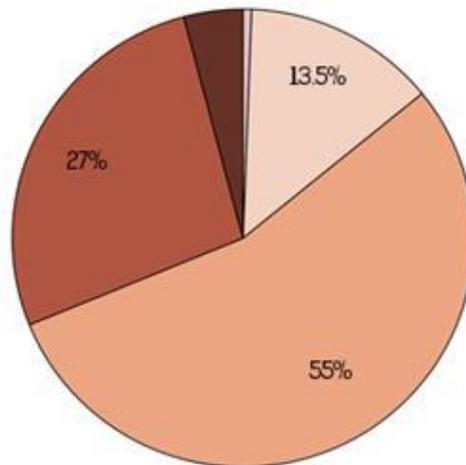
**Health and  
Access to Care**

### Barriers to Receiving Medical Care

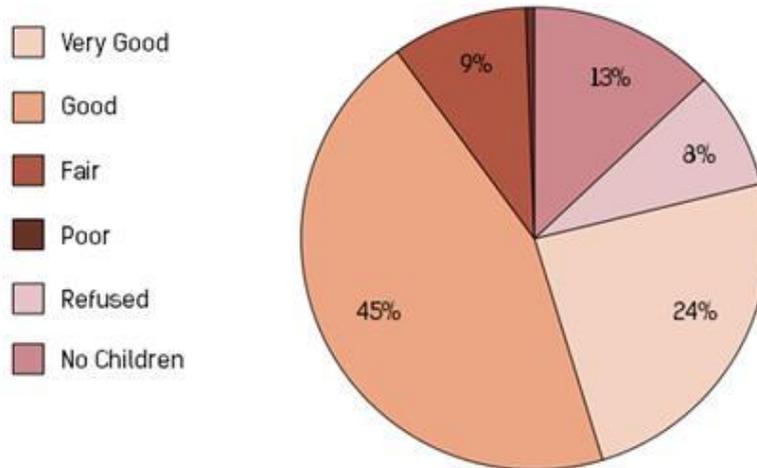


### Health of Adult Household Members

- Very Good
- Good
- Fair
- Poor
- Refused



## Health of Household's Children



## End of Chapter Summary

Workers in Bangalore labored in much better conditions than workers in Bangladesh or Cambodia. They had access to emergency exits; there were fire detection systems; and workers reported generally feeling safe.

They did face some harassment in the workplace. More than half of workers reported having been insulted, and about one-third reported they were humiliated by their supervisors. They had little recourse to deal with this outside their human resource departments as almost no workers belonged to a union.

Additionally, workers' schedules made it difficult for them to access medical care. Two-thirds of workers reported getting time-off was a big problem, mitigating the usefulness of the ESI program.



## Chapter 6: Worker Profiles

This report has detailed the lives of 180 garment workers living outside the city of Bangalore in India. But how do these findings play out for individual workers? This chapter will explore the stories of Geetha, Lakshami, Rathna, and Yasodha—four garment workers trying to get by. All names in these profiles have been changed from their originals. To protect confidentiality, the women in photos are not the same as the women in the story. Photos of homes are representative of situations in which garment workers lived generally.



### Geetha's Story

At the time of the study, Geetha was a 23-year-old garment worker living in Maddur, a town about two and a half hours away from central Bangalore by car. Geetha received a good education, but unlike many women her age, she had not married. Instead, she lived at home with her parents and younger brother who was 26. Everyone in the household worked, and she said the family lived comfortably, so there was no need for her to find employment, something her family actively discouraged. Geetha was bored, however, and wanted to make money for herself. She set her sights on becoming a garment worker because the factory was close and provided transportation to and from work.

*"I decided to start working in the garment industry because the factory was very near to our home, and the factory also provided transport."*

*"Our family condition was good at that time. Now, also, our family condition is good. In my home they told me, "Do not go for the job." But I come here because it is very near to our home."*

## Geetha's Story

Her parents owned their home, so no one was responsible for a large, recurring rent payment, and the family members shared living expenses. Geetha did a good deal of shopping for the home, sometimes buying large amounts of meats, vegetables, and spices, but without the burden of rent or providing for a family, Geetha was able to spend her money on what she wanted. She purchased a refrigerator for the family and went on a spending spree of personal items: she spent 5,000 INR (more than two-thirds of a monthly salary) on a pair of earrings, 1,000 INR on a gold nose ring, and she spent several thousand rupees on saris. She was also a devout Hindu and used her income to go on a pilgrimage to Tirupati, a town roughly 350 KM away.



## Geetha's Story

Geetha's economic freedom extended to her use of financial tools. In addition to spending, Geetha was an avid saver. She deposited anywhere from 500 to 1,500 INR into her local savings group each week. And while she was not a big user of debt, she used her financial position to help other people in her family: she took a 10,000 INR from a moneylender and immediately lent it to her aunt.

*"Most of the time, I will keep money in my home because I need it for household expenditures. Only sometimes will I deposit money in my [savings] group because I am saving there."*

## GARMENT WORKER DIARIES



### Geetha's Story

Compared to workers in Bangladesh and Cambodia, Geetha's schedule was uneventful: she worked 8 hours per day, six days per week. However, those were still long hours, and they took their toll. Geetha complained of chronic pain in her neck and back throughout the study. She was lucky not to fall ill or injured during the study, though. The same could not be said about her father and brother—both needed medical attention during the study, which Geetha paid for.



## GARMENT WORKER DIARIES



### Lakshami's Story

At the time of the study, Lakshami was a 42-year-old garment worker living in Bidadi, just past the edges of Bangalore's obvious sprawl. A veteran factory worker, Lakshami entered the workforce because her husband—a casual day laborer—did not earn enough income to support her and their two children, both of whom were in school during the study.

*"I had financial problems in my home. My husband's income was not enough for us to maintain our home. So I joined the garment industry [to improve our situation]."*

**GARMENT WORKER DIARIES**



**Lakshami's Story**

Lakshami and her husband historically shared responsibility for household finances and duties. She would pay rent and buy groceries, while he would pay the electric and cable bill as well as school fees. Even with both adults working, conditions were difficult, and things got even harder in the late summer of 2016. In August, Lakshami's husband fell ill—he went to the hospital for a day at first, but she had to admit him to the hospital the following week. During the following several weeks, the State of Karnataka was in turmoil as the inter-state dispute with Tamil Nadu known as the **Cauvery Issue** reached a fever pitch, effectively shutting down work at the garment factories.



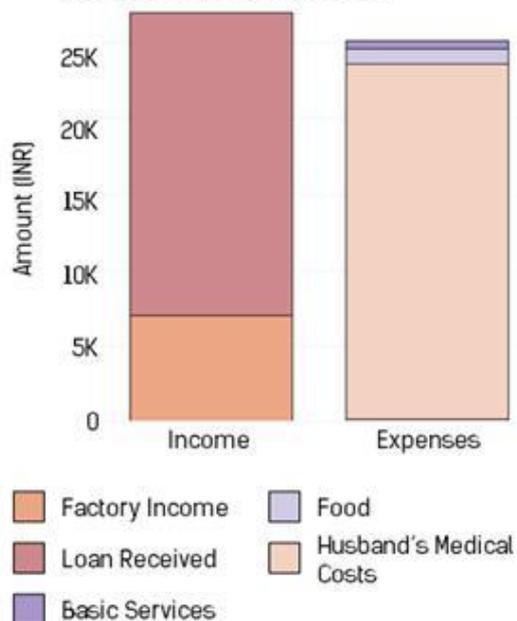
**GARMENT WORKER DIARIES**



**Lakshami's Story**

These events were a double shock for Lakshami—her husband's hospital bill was the size of three months' salary, and it hit during a period when she was not paid. As a result, she turned to two massive loans: 20,000 INR from a friend to help pay for the medical expenses and another 19,000 INR from another friend five weeks later. She had hoped to use the latter loan to do improvements on her home, but it quickly became clear that without her husband's income, Lakshami was in a dire financial situation. Because of this, she used the loan as a cushion to help buy necessities.

**Lakshami's August Pay Period**



### Lakshami's Story

Lakshami was able to repay most of the first loan rather quickly. She used part of the second loan to pay off the first and pulled money out of her home savings and bank account, but that still left her with about 20,000 INR of debt. The following months were no kinder to Lakshami: her husband injured his leg and did not work; she began experiencing significant and chronic leg pain; and her mother died. Each event made money management more difficult for Lakshami, and she drew out cash from the loan that she had stored at home to help manage these shocks, paying small sums back to her friend when she could.

*"I have not joined the any [savings] groups. I have to pay for rent and groceries and other expenses, and I keep some amount in my home saving. I will take this money during emergencies."*

*"I have commitments. I have to pay rent, I have to buy groceries. So I [need to] withdraw my full salary payment from the bank soon after I get paid."*

### Lakshami's Story

By the end of the study, Lakshami had paid off 26,000 INR of the 39,000 INR she borrowed. Her debt burden prevented her from engaging in any type of meaningful savings as she worked to keep her household afloat. The debt did not just hit the household in their wallet. To help with expenses, Lakshami reported that she switched to less preferred types of food and cut back on the amount of food the household ate, effectively absorbing a portion of these shocks in her body rather than her pocketbook.





### Rathna's Story

At the time of the study, Rathna was a 32-year-old garment worker with a middle school education living in Kengeri, a suburb of Bangalore on the edge of the southwest corner of town. She was married to Sandeep, a 40-year-old rickshaw driver, and had one child, a daughter. The family lived in a flat that Rathna's family had owned for years, so she never had to pay rent. Even without this expense, she found that the family struggled to pay for basic goods and services.

*"We had financial problems at home. My husband's salary was not enough, and we had to pay for our children's school fees. So I joined this garment industry."*

*"[Before I joined the factory], my husband's salary was not enough. I joined work to pay my children's school fees [which are due] every six month."*

*"This is our own house. I have lived in this home for 17 years."*



### Rathna's Story

Her husband worked as a rickshaw driver and earned money inconsistently. During the first three months of the study, she said he earned money only twice, but he then earned anywhere from 1,000 INR to 2,100 INR in 15 consecutive weeks before falling back into an irregular earnings pattern. It may not have been variations in the market for rickshaw rides that led to this inconsistency: Rathna said her husband was drunkard, and his low, irregular earnings were what drove her to become a garment worker.

*"I want to receive my salary through the bank. My husband is drunkard. He will spend my money on drinking. So I want to keep my money safe in bank. I will take it whenever I need it."*

*"I am responsible for my money, and [my husband] is responsible for his money."*

**GARMENT WORKER DIARIES**



**Rathna's Story**

Garment work helped Rathna, giving her access to her own regular source of cash. The husband and wife did not pool their money, and each was responsible for a set of expenses: she handled groceries, household expenses, and school fees (the bulk of household spending), and he paid the electricity and cable bill. Like other garment workers, Rathna's employer paid her via direct deposit into a bank account, and while she tended to withdraw all of her salary, she said she tried to keep small sums behind, hidden from her husband, to pay for emergencies. She would also deposit money into a local savings group with the dream of using the money to improve their home or buy items for their daughter.

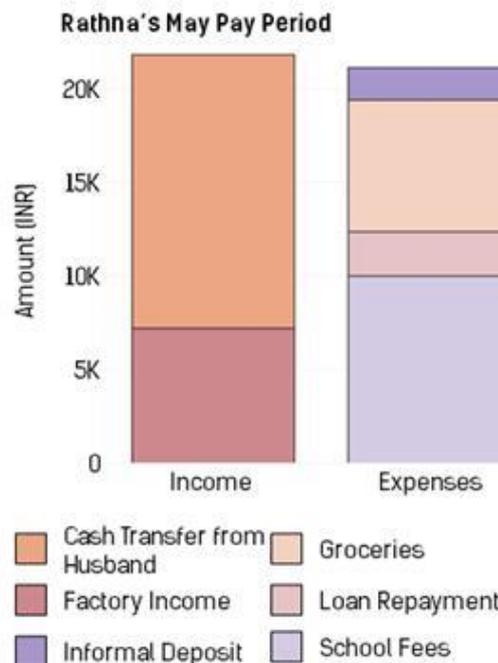


**GARMENT WORKER DIARIES**



**Rathna's Story**

Despite her efforts, Rathna was sometimes dependent on her husband, and she could not always manage all of her expenses with her income only. Every few months, she would turn to Sandeep for a large infusion of cash to meet some major expense. The largest of these was a 14,000 INR transfer of cash to help pay for her daughter's 10,000 INR school fee and accompanying materials. A few weeks prior to that, Rathna had to take a 5,000 INR-loan from a friend to meet her basic expenses.



### Yasodha's Story

At the time of the study, Yasodha was a 32-year-old garment worker who lived in Maddur, not far from Geetha. She was married-her husband, 36-year-old Raju, was a painter. Yasodha reported that he earned money consistently-about 2,000 INR per week for most of the study. However, similar to the other women profiled here, Yasodha was concerned that his earnings were not enough to support the family, so she joined the garment factory several years ago to help pay for household expenses, including school fees for her two children.

*"My children are going to school. I have to pay for fees and books. I [also] need money for [our] home, groceries, and fruits. So I joined garment factory."*

*"I have less education. There is no job available for less education. So I joined [the garment industry]."*

### Yasodha's Story

At the start of the study, the family of four lived in an informal, freestanding house with concrete walls and a roof made out of salvaged materials like sheet metal. They had a faucet for water but only received about 18 hours of electricity per day. The structure itself was rather large, but the family's living space was small, as the home had been divided among the families of her brothers-in-law.





### Yasodha's Story

The ramshackle home was inadequate for the large family so they decided to demolish it and build a new home, requiring Yasodha and her family to rent a home for a few months. The Diaries data revealed the massive investments she and her husband made to build their new home. Over the course of about seven months, Yasodha spent 215,000 INR, equivalent to three years' salary, on materials-like cement, pipes, iron rods, and granite-and labor to construct the home.

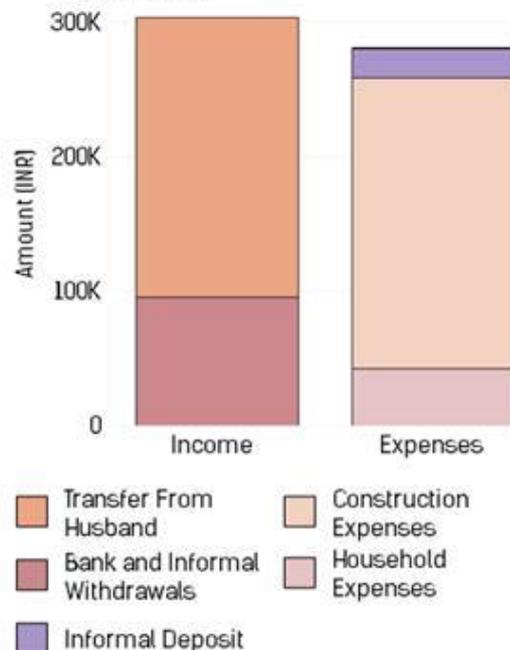
*"First we had lived in our own home, but it had been divided among [my husband and] his brothers. So we demolished the home for re-construction. And we moved to rented home. So we [temporarily] paid rent ...Now we are living in our own home again."*



### Yasodha's Story

Remarkably, Yasodha reported that she was able to fund most of these costs without taking on any debt. She had regularly saved anywhere from a few hundred to a few thousand rupees in a local savings group prior to the study, and she was able to withdraw her balance-almost 70,000 INR-to help pay for these costs. During construction, she received four large transfers from her husband, totaling 130,000 INR. If he had to take a loan for these purchases, it appears he was able to manage it on his salary alone-Yasodha rarely ever gave him money and made only one loan repayment during the year, and it was for only a few hundred rupees.

Yasodha's Cash Flows During Home Construction



### Yasodha's Story

By the end of the study, Yasodha and her family had moved into their new home, completing the aspirational story of many garment workers. Her husband's and her ability to save, build a home, and manage their other expenditures to ensure their children had full stomachs is an example of a best-case scenario for garment workers in Bangalore.



## Lessons Learned

This report detailed that garment workers in our sample in Bangalore:

1. Typically earned the legal minimum wage or higher and paid into pensions and state insurance programs, providing them nominal access to safety nets not available to workers in Bangladesh or Cambodia;
2. Spent most of what they earned on food and basic items for the household. Those that had to pay rent faced a greater financial burden and had less money available to spend on basics items for the household;
3. Relied heavily on the income of other household earners to meet their expenses and financial obligations. These other earnings were critical to households' ability to improve their quality of life;
4. Lived in situations that were comparatively comfortable—they had a basic, but respectable set of assets; saved money regularly; and had long-term savings goal;

## Lessons Learned

5. Worked in comparatively good conditions. They rarely worked overtime and labored in factories with good safety conditions. However, they did report being frequently insulted or embarrassed by their managers.

While these patterns were broadly true, there were women who clearly struggled. An inability to access ESI insurance forced people to take costly loans to pay for private medical bills; and working conditions and pay for women who did not work at major exporting factories were not as good. Still, the results from Bangalore, where women are paid less per hour than in Cambodia but appear to live less financially stressful lives in safer working conditions, show what might be achieved in other garment producing regions.

## Take Action

Compared to the conditions and pay in Bangladesh and Cambodia, the workers we interviewed in India had better lives, but they still faced daily injustices. Their long hours over sewing machines result in constant pain, and they struggle to get time off to care for themselves and their families.

Through the findings presented in this report, we hope that you now understand the human cost of fashion and everyday wear and that you use this information to improve workers' lives either by changing where and how you shop or through advocacy work. As a start, we encourage you to let brands know about what you have learned by clicking [here](#). The 180 women who contributed to this report thank you.

Take Action [Link](#)