



**SECURITY**



# THE INEQUALITY BENEATH INDIA'S ECONOMIC BOOM:

G4S Security Workers Fight for Their  
Rightful Place in a Growing Economy



Uni Property Services G4S Alliance

## Executive Summary

**As India's wealth increases, the gap between rich and poor is also on the rise. According to the Hindustan Times, the five million private security personnel in India today outnumber the army, navy, air force, police and the Central Bureau of Investigation put together. The industry generates a million new jobs a year.**

Security guards working for G4S—one of the largest private sector employers in India—are among those at the bottom of the income scale. These workers barely eke out a living while their UK-based multinational employer—the second largest in the world—earns hundreds of millions in profits.

Research in three Indian cities—Delhi, Bangalore and Calcutta—revealed the following:

- G4S workers are paid poverty wages—not enough to raise a family. G4S pays the bare legal minimum—and in some cases pays less than the minimum required for annual bonuses and other benefits.
- G4S underpays workers' overtime. The company does not pay the double rate required for the four hours of overtime put in by many workers. G4S workers often work six or seven days a week, twelve hours a day.
- G4S uses creative accounting to short-change workers' pensions, leaving retired workers without adequate funds.
- G4S workers have no job security, no contracts, and no guarantees. Workers' employment is contingent on whether clients continue their contracts with G4S; therefore, workers can be fired at any time. Most G4S workers do not have contracts that state the terms of their employment, making it impossible for them to hold the company accountable.
- G4S abuses workers' rights and retaliates against workers who speak out against unfair treatment, repeatedly firing workers who point out that they are being underpaid or not receiving their deserved benefits.
- G4S workers report a daily routine of poor working conditions and humiliation.

G4S should remedy these conditions in India and around the world. Workers in India and around the world are demanding justice, but G4S isn't listening. The global campaign for justice at G4S continues. It's time for the company to treat its workers fairly in India and to sign a global agreement to raise standards for its workforce around the world.

# Introduction

India's economic boom has caught the world's attention, but beneath the boom is a rising inequality that sentences some to lives of poverty and malnourishment. The *New York Times* reports that nearly thirty percent of Indians still live below the official poverty line. Close to half of all Indian children under the age of three are malnourished. This poverty remains despite the fact that India's economy grew eight percent in 2007.

Prime Minister Manmohan Singh is among many who have noted that this inequity is a threat to India's stability and development. "Rising income and wealth inequalities, if not matched by a corresponding rise of incomes across the nation, can lead to social unrest," he warned a business association recently.

G4S is one of the largest private sector employers in India, with more than 130,000 employees. UK based G4S is also the second largest global employer, and the largest private security firm in the world. Its employees in India guard everything from multinational corporations to banks and embassies. G4S is emblematic of the quick growth of the private security industry in India. The number of workers in the sector has increased by one million per year for the last three years. The Central Association of Private Security Industry (CASPI) estimates that the industry will grow by 25% in the next few years. The ratio of private security to police in India is 2:1, and projected to reach 3:1 soon. CASPI President Kunwar Vikram Singh estimates that in five years, there will be 10 million workers in the security industry. Singh notes that almost ninety percent of private security workers, however, are below the poverty line.

Given its powerful position in the Indian economy, G4S holds the key to raising wages and conditions for Indian security workers and others—or to continue to ratchet down standards and deepen the country's poverty. Unfortunately, G4S has chosen to take the low road, impoverishing workers to increase profit margins. At least one competitor security firm, the Security and Investigation Bureau, complained to the union (CITU) in West Bengal that G4S was under-quoting a bid due to their manipulation of the minimum wage laws.

G4S has made similar choices around the world, from the United States to southern Africa. UNI Property Services, the global union for security guards—a sector of UNI Global Union, a global union with 900 member unions representing 15.5 million workers—has compiled reports from workers around the world who report that G4S treats its workforce as poorly as the law allows—and sometimes even worse.

This report is based on field research by researchers in three cities (Delhi, Bangalore, and Calcutta), as well as other primary sources and field interviews conducted by UNI personnel and international trade unionists who visited India to learn more about the workers' situation.

As Prime Minister Singh says, "India cannot become a nation with islands of high growth and vast areas untouched by development, where the benefits of growth accrue only to a few." Multinational employers like G4S have a particular opportunity and a responsibility to ensure that India's growing wealth does not benefit just a few rich executives, but is enjoyed by the thousands of workers who often work twelve hours a day, seven days a week to support their families.

## Major Findings

- Poverty Wages
- Underpaid Overtime
- Short changing Workers' Pensions
- No Job Security, No Contracts, No Guarantees
- Obstructing Workers' Rights

## Poverty Wages

Indian security guards—unlike many formal sector workers—are covered by only the most minimal wage laws. G4S pays its workers only the barest legal minimum. Then, G4S uses creative accounting and legal loopholes to further drive down the wages that workers receive.

Since Indian labour law is governed both by the central government and by the states it is often difficult for analysts, let alone workers, to disentangle the various labour codes to ascertain which laws pertain to a given situation. However, what is certain is that G4S is paying workers as little as possible—and less than they need to take care of their families.

In Delhi, a survey revealed that workers are paid Rs133 (2.3 €) per day (not including overtime)—equal to the minimum wage. This Rs133 is further subdivided; a portion is considered the “basic wage” and the remainder is divided between a “Housing Rent Allowance” and “other.” Counting part of the minimum wage as special allowances decreases bonuses and Provident Fund (pension fund) payments, as will be explained below.

An annual bonus of one month’s wages is considered standard in India, but some G4S workers in Delhi report that they have not received a bonus—or that they received a full or partial bonus, but then saw it deducted from their wages in the following months. Even when they do receive a bonus, it is calculated based on the same “basic wage” as the Provident Fund. In Bangalore, workers reported that they had either received no bonus or only a small minority had received the full bonus. The remainder received only half of the one month’s pay that is typical at most workplaces. The Payment of Bonus Act (1965) requires that establishments of twenty or more employees pay their workers an annual bonus of at least 8.33% of their income, equal to one month’s pay.

G4S’s financial treatment of its workers doesn’t live up to the basic expectations that most Indian workers have for their employers. Workers do not receive raises in pay based on seniority—whether they are new on the job or have worked for G4S for ten or even fifteen years, they make the same minimum wage. Only a minority of workers in Bangalore reported receiving any kind of annual increase.

Workers’ incomes are further strained because they find it difficult to get Employees’ State Insurance cards, so they cannot access the health care that they need and are entitled to. This is the only way for most workers to receive sickness, maternity and death benefits—not to mention decent medical treatment. At least in Calcutta, workers receive no paid sick leave.

### Anonymous

I am married and have two children. A roadside vendor makes more money than I do since I make only Rs3500. (\$60.73€). They count half our salary for HRA [Housing and Rent Allowance] and twenty-five percent for ‘other,’ which is really unfair. It is really difficult for me to run my household on such a petty amount.

I am not able to provide a good education to my children. Their fate is to study in substandard education at the cheapest government schools, which have very few resources.

It is really difficult for us to rent a house in Delhi and to live with our salaries.

We are threatened that if we don’t cut ties with the unions, we’ll be thrown out. We are also advised not to speak to any ‘outsiders’ about our issues.

## Underpaid Overtime

In Calcutta, Bangalore, and Delhi, workers uniformly reported that they regularly work twelve hours a day. The normal working day in India is considered to be nine hours daily. In many cases, workers routinely worked seven days a week. Workers reported that they were dependent on this overtime to support their families. Even with twenty-four to thirty-six hours of overtime per week, workers in Calcutta reported that they made less than Rs 3000 (52€) per month. Workers in Bangalore reported wages of Rs 4500 to 5000 per month (78 to 87 €) per month, while workers in Delhi report Rs 195 per day (3.38 €).

In Bangalore and Delhi, workers reported that overtime is paid at the same rate as regular work. This is in violation of the labour laws, which require that overtime be paid at twice the rate of normal work hours. Reports from Calcutta did not indicate at what rate overtime was paid.

If workers are working twelve hours per day, including four hours of overtime, this means that they are being deprived of one quarter of their rightful income. Still, workers report that they take on these overtime hours on a regular basis because they are in such financial need.

### Ashok Kumar

I am married with five girls. I live in Delhi, but my family stays in my hometown. I have been working with G4S since 1997. I am not able to spend enough time with my children.

I don't get decent benefits, so I can't provide good education to my children. Employees like me are often suspended on false grounds and conditions, and harassed.

### Anonymous

I am twenty-seven years old, married with one three-year-old daughter. I have worked for G4S for seven years, guarding sites including the Indian Institute of Technology, the Indian Council of Social Science and Research, and private residences.

I work twelve-hour shifts every day. My four hours of daily overtime are paid at the same rate as normal work, instead of at the required double rate for overtime. My salary is Rs6500 per month (equal to 113 €).

## Short-changing Workers' Pensions

G4S's creative accounting, in which it counts only a portion of the minimum wage as "basic wage" and the rest as special allotments, is leading to a precarious retirement for their workers.

The company is required to pay a contribution to the workers' "Provident Fund," a type of pension fund, calculated at twelve percent of the basic wage. Categorizing some of the workers' daily wage as a housing allowance and as "other" means that the company pays less into the Provident Fund.

This is a major concern for G4S workers, many of whom rely entirely on this Provident Fund for income in their old age, since most find it impossible to save money on their meager G4S salaries.

In Bangalore, some workers reported that employees were required to make contributions on all of their wages, including overtime pay, while the employers only made their contributions on the basic wage.

G4S is required to provide Provident Fund slips to workers annually, detailing contributions to the fund, but several workers interviewed said that G4S didn't provide these slips.



### Dharmendra Rawat

I had to leave my wife and children at my village since last year. I am very worried about my children, because I can't provide them with a better education.

I have worked for G4S for fifteen years, but there is no guarantee that my job will be secure. I can be fired for any time. I am particularly concerned about my job security because I am active in the union.

We will only be able to really provide the security that we have been hired to provide when our own security is given immediate and serious concern.

## No Job Security, No Contracts, No Guarantees

An employment contract is one of the most basic legal rights for workers. Without a contract, workers have no proof of their rights—and may not even know what those rights are.

In Delhi, several guards reported that they were afraid to retire because they had no document to rely on to request retirement benefits. This is a major problem for workers in a country with no public unemployment or retirement programs.

Some workers in Delhi and Bangalore reported that they did receive a letter of appointment, but this did not specify basic elements of the work relationship including discipline and termination.

Rather than providing the workers with guarantees, or even basic documentation, the company requires the workers to sign a document acknowledging that their employment is subject to the existence of a contract or license with the client. If a given client cancels their contract with G4S, the workers have no right to automatically be deployed at an alternative post. It is up to the company's jurisdiction and to whether other posts are available. Workers receive no wages while they are waiting for a new deployment.

Lack of any guarantee of consistent employment and the lack of documentation of what rights workers do have are particularly serious problems for workers, given their poverty wages.

## Obstructing Workers' Rights and G4S' Retaliation Against Workers

There are some unions representing workers at G4S operations. The conditions described above, however, give ample proof that this does not mean that G4S is respecting workers' rights. Rather, workers report that several unions are so close to G4S that they serve more as company shields than as worker representatives. When unions or individual workers do speak out against workers' rights violations, the company uses the law and its own power to strike back, rather than remedying the situation.

Workers in Delhi reported that when unions threaten to strike, the company has been known to treat this as a legal case of "assault" against management. Similarly, charges of assault have been filed against striking workers and union leaders as a way to intimidate these workers.

In one case, the Group 4 Falck Employees Union repeatedly attempted to negotiate with the company. The company refused to consider the workers' demands and employed legal constraints to prevent the workers from using various public tactics to express their demands. The union reports that the company went to court to limit the workers' ability to protest within 100 meters of company premises and told police that the union had threatened them. After a protracted peaceful sit-in, the union decided that to demonstrate the workers' poverty, the workers would go on a hunger strike and would literally go begging in various parts of Delhi. The company filed suit, saying that this would harm the company and should be forbidden.

According to Dr. Sumangala Damodaran of the University of Delhi, workers are also often required to sign a code of conduct when they are hired. Union activity, or even raising concerns about individual problems with management, is sometimes construed as a violation of this code. For example, three security guards repeatedly approached management about the company's failure to provide them with ESI cards on time and to pay appropriate overtime wages. They were ultimately fired for violating the code and told to leave in one day. All workers interviewed in Delhi stated unequivocally that there is no grievance system within the company.



**G4S Worker**  
**Keshav Kumar Sharma**

I am married with three children, and live in Delhi. I have worked for G4S since 1996. I am very worried for my children's future, because there is no job guarantee. Particularly because I joined the union movement, I am insecure about my job. I am tense, because I think my boss can sack me at any moment.



## Complete Disregard for the Workforce

The problems listed in the previous pages' are indicative of the company's systemic disregard for its workers.

The workers interviewed in Delhi all reported poor treatment. In addition to their guarding duties, they are often called upon to sweep, clean, and do other menial work outside their job description. Workers described how they are generally forbidden from using the toilets or other amenities of the buildings they guard, meaning that they often have no access to drinking water, food, or toilets on the job, especially during night shifts. They are penalized for thefts and for unpredictable offenses like failing to salute a superior, with no recourse.

### G4S Worker N. C. Dinakara

I am unmarried and from Kodagu. I've been working for G4S for three years at G4S Cash Services in Bangalore. My salary is 4200, 3822 after deductions (72€/66€). I spend 1300 (22.5€) for one room in a three-bedroom share, 300 on electricity (5€), 530 (9€) for a bus pass and 1000 (17€) for food. I send Rs2000 (35€) home to my family every month.

I became a guard because I had an office education and a gun licence. Now, I've been given a transfer notice from Bangalore, Karnataka to Salem, Tamil Nadu. I was give ten days to report to the new state, a travel impossibility even if I could do it. When I got the transfer letter, it was a shock at first and I did not know what to do. I wanted to quit the job. Because my gun licence is for a single barrel gun, I would need a new

licence for Tamil Nadu. The company said the reason I was being transferred was due to a reduction in contracts. I feel that is a total lie; the truth is that I had approached management with others about problems like overtime, lack of a toilet for us, vehicle problems, and our salary. The toilet situation is especially shameful. There was one, but it was unusable, so they removed it completely and now we have to either go outside or in a neighbour's apartment. There is one available for the officers, but it's locked for our use.

I do not speak Tamil. And with no gun licence, there will be no provision for me to work for G4S when I'm transferred. I offered to forego my security position to work as a custodian, but G4S rejected my offer. The union intervened to resolve the situation.

G4S guards in Delhi have had money deducted from their salaries to compensate for stolen bicycles. G4S Bangalore guards report that they have to bribe their supervisors to get posts close to their homes. If they stop paying bribes, they can get posted to the far side of the city, which causes them to spend up to a third of their wages on transportation.

### G4S Worker K.C. Kumar

KC Kumar is thirty-one years old. He supports his wife and two young children. He has worked for six years as a G4S cash services guard.

In 2005, Rs 50,000 (868€) was missing from the cash consignments that he transports daily for banks and other clients. The bank denied that they had made a mistake counting the money. KC Kumar was blamed for the incident, and the Rs 50,000 was taken from his salary in increments for the next year.

KC Kumar is one of many G4S workers who are told to buy their own motorbike and cell phones to deliver cash, rather than using an armored van. These men can be carrying up to Rs 500,000 [8677€] on their motorbikes, with no protection for themselves or the money.

When KC Kumar refused to purchase his own motorbike and carry the cash in this way, he was fired. It was only after the union intervened that he won his job back. Many other workers, however, continue to be required to carry large sums of money on their own motorbikes.

### G4S Worker Orja

I am forty-six years old and married with two children. I stay in Delhi with my family. In the seven years I have worked as a custodian for G4S. I have been terminated from employment three times for reasons later revealed to be unfounded, leading to my reinstatement. I believe that I was fired because of my involvement in the union.

I have also faced some difficult experiences while working for G4S. Once, when I was on 'intercity' duty, delivering and collecting cash between Delhi and another city 80 km outside of Delhi my fellow worker and I experienced vehicle problems, and our van broke down. This is not unusual since the vans are old and not serviced properly.

In this situation, we could not leave the van or the money, so we were stuck overnight in the middle of nowhere waiting for help. We were unable to phone for help since we had no means by which to charge the company issue mobile phone.

I am paid 240 Rs [4€] per day for eight hours duty, but normally I only work four to five hours a day.

## Conclusion: A Global Response

G4S workers in India are fighting back against these daily abuses so that they can claim their rightful place in India's burgeoning economy. The Indian Security Workers Organizing Initiative is a project of two national union centers, the Center of Indian Trade Unions (CITU) and the Indian National Trade Union Congress (INTUC). Workers throughout the sector have joined in this initiative to win "security for security workers" in Delhi, Bangalore, Calcutta, and Kochi.

However, the experiences of G4S guards both in India and around the world shows that workers' voices at the local level are not enough to win changes. The Alliance for Justice at G4S, formed by UNI Property Services, has brought unions from around the world together to fight for better lives for G4S workers. While the Alliance and local unions have won union recognition and improvements in worker conditions in a number of countries, G4S has failed to show any commitment to higher standards across the world in the more than one hundred countries where it operates.

G4S should act promptly to remedy the many violations of Indian law and of workers' rights listed above. Specifically, the company must:

- Pay Provident Fund contributions and bonuses based on the entire wage paid to workers.
- Stop retaliating against and intimidating workers who speak out for their rights, including union leaders.
- Provide workers with an employment contract.
- Pay living wages.
- Adhere to all laws pertaining to payment of overtime, minimum wages and working conditions.
- In addition, G4S should sign a global agreement with UNI that would commit G4S to eliminate workers' rights violations in India and around the world.

### Stay Informed

For more information on the Alliance for Justice at G4S, and how you can support the struggle of Indian G4S workers, contact [property@uniglobalunion.org](mailto:property@uniglobalunion.org).



[www.uniglobalunion.org/property](http://www.uniglobalunion.org/property)