

RESEARCH REPORT:

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Understanding the Characteristics of the Sumangali Scheme in Tamil Nadu Textile & Garment Industry and Supply Chain Linkages

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Solidaridad

Executive Summary

The textile industry in Tamil Nadu has been reported to be exploiting young women workers in the spinning and textile units under what is called the “Sumangali Scheme.” There has been national as well as global focus on such practices for over a year, which led to discussion by stakeholders to understand the issues and to find ways to address it. As a result, there are various initiatives to bring relevant stakeholders together and develop a corrective action plan.

This research was conducted by Solidaridad-South & South East Asia (“Solidaridad”) with support from the Fair Labor Association (FLA) after both organizations realized and agreed that the issue of Sumangali required an elaborate understanding of textile supply chain linkages. Solidaridad and FLA agreed that it was important to bring key stakeholders at each stage of the supply chain around the table to discuss the problems and find solutions. Hence, it was decided to conduct a research project focusing on the Sumangali Scheme in Tamil Nadu’s textile and garment industry and its supply chain linkages.



Workers and their parents participate in a discussion session with researchers.

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The research was conducted over a period of six months from September 2011 to February 2012. The research methodology included a comprehensive desk research; interviews with key industry associations; interviews with representative sample of workers, their parents and relatives; and meetings with a number of brands and retailers.

The research findings describe highly exploitative working conditions in the textile mills and garment manufacturing units and provide a comprehensive understanding of the prevalence of the Sumangali Scheme within the industry. However, it also provides a broader context of the social and economic conditions of families within which young women become employed under Sumangali, one of the few employment opportunities available for young women in these communities. These are important points that need to be in the forefront as wider groups of stakeholders seek sustainable solutions to this issue.

The plethora of research studies and media campaigns highlighting the exploitation in the textile industry has been instrumental in drawing attention to this issue. Many of these studies and campaigns have focused on vertical garment manufacturing units with direct relations with the brands and retailers, however brands and retailers have limited access and influence on the entire supply chain where a large part of Sumangali exists.

This research aims to bring to the table all the relevant stakeholders throughout the supply chain and suggest a comprehensive action plan for the sector to consider. The comprehensive plan includes a collaborative rather than confrontational approach to build trust, constructive dialogue, and identify good working practices. It also aims at harmonizing existing Codes of Conduct/Guidelines which have been followed by the key associations.

Lastly, the research highlights the fact that it is imperative to understand why the Sumangali Scheme is considered a bad practice and how it is in breach of local legislation and international standards. Similarly, it is important to outline examples of good practices like how to attract employees and retain workers that are in line with local legislation and is mutually beneficial for employers and employees alike.



A local NGO field worker with young women workers employed under Sumangali Scheme.

1. Introduction

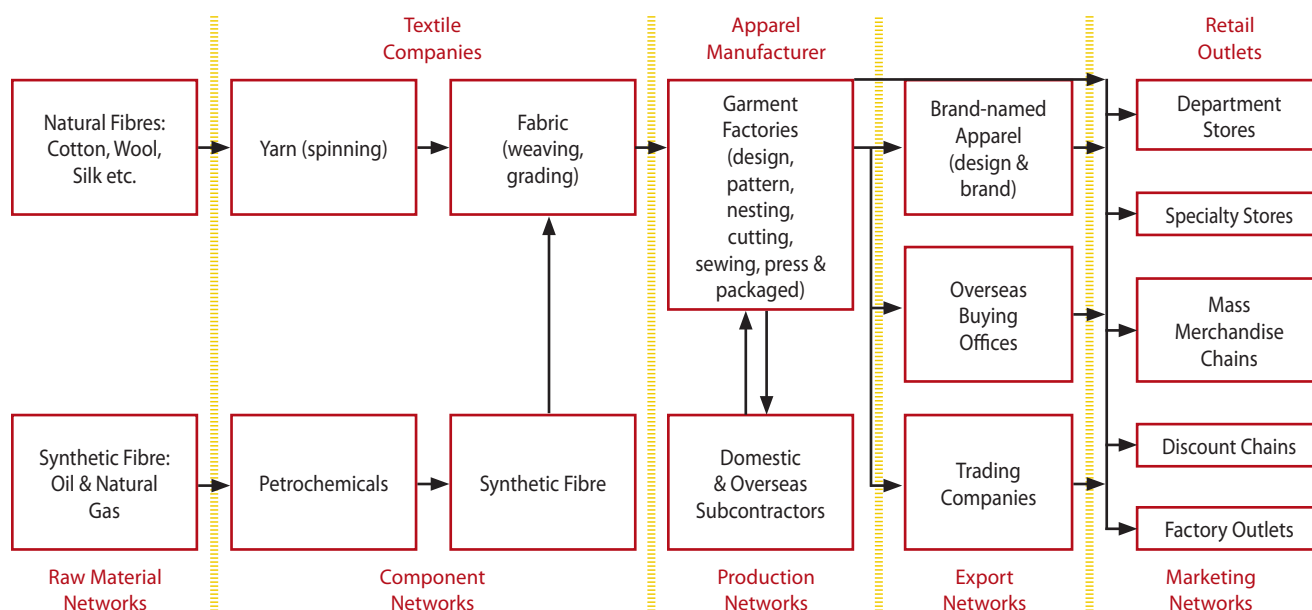
1.1 Background

The Textile and Clothing (T&C) industry is one of the largest and most important in the Indian economy in terms of output, foreign exchange earnings and employment. It is also the second largest employment-generating industry, after agriculture, with direct employment of over 35 million people, according to the latest estimates. The value chain in the sector comprises of spinning, weaving, knitting and garment manufacturing. The industry uses different materials such as cotton, jute, wool, silk, and man-made and synthetic fibres.

The state of Tamil Nadu in southern India plays an important role for both the Indian T&C industry and for global brands and retailers. Much of country's spinning capacity and a significant part of downstream knitwear, powerloom and handloom units are located in Tamil Nadu.

The cotton spinning sector is the backbone of Tamil Nadu's textile industry. One of the region's oldest and most prestigious manufacturing sectors, it employs thousands of workers, and has been the leading source of the state's revenues, exports, and industrial entrepreneurship. Tamil Nadu accounts for over 65% of the total number of spinning units in India (2,816 units at the end of 2008). It is the nation's primary hub of cotton yarn production. It also has a significant presence in fibre finishing units, including dyeing, printing and other cloth preparation prior to manufacture.

Depiction of Apparel Production Chain–From Farm to Final Consumer¹



The clothing industry, at the end of the value chain, is spread over India. However, Tirupur in Tamil Nadu is the major production cluster for knitwear garments, accounting for more than 60% of India’s knitted garments. In 2007, Tirupur’s exports of knitted garments (T-shirts, pyjamas, etc.) amounted to over US\$ 2 billion.

The following are the main geographic hubs in the

Key Clusters of Industry Subsectors in Tamil Nadu	
Spinning Mills	Coimbatore, Dindigul, Erode, Karur, Salem and Tirupur
Handloom and Powerloom	Bhavani, Coimbatore, Erode, Karur, Namakkal and Salem
Garment Manufacturing	Chennai and Tirupur

production chain of the T& C sector in Tamil Nadu:

The T&C industry is critical for the industrial development of Tamil Nadu and provides massive employment in the state. In recent years, Tamil Nadu has become central to the cotton, textile and garment industry of India and home to many global brands and retailers, who have their sourcing offices and teams in the state. However, the growth of the industry has been affected by several challenges. These issues include

increases in freight costs (transportation of cotton), in the value added tax from 4% to 5%, and in wages due to high inflation and pressure on the availability of skilled workforce.

In addition, in January 2011, the Madras High Court ordered the closure of dyeing and bleaching units in Tirupur’s processing clusters, which have been blamed for polluting the Noyyal River. The verdict from the court has affected over 740 wet processing units in the cluster employing 40,000-50,000 workers and an estimated loss of Rs. 50 crore (or almost US\$ 50 million) per day for the industry.

Moreover, the textile industry in Tamil Nadu has been reported to be exploiting young women workers in the spinning and textile units under what is being called, the “Sumangali Scheme.” The media has widely reported on these abuses over the last few months, based on India including *The Hindu*,² *Frontline*,³ *Outlook*,⁴ and *Deccan Herald*,⁵ and globally in reports by Anti Slavery International,⁶ European Coalition for Corporate Justice,⁷ Fair Wear Foundation,⁸ Centre for Research on Multinational Corporations (SOMO) and the India Committee of the Netherlands,⁹ *De Volksrant*,¹⁰ and Dalit Freedom Network.¹¹

These reports named many global brands and retailers that sourced their products from spinners and

garment manufacturers alleged to be exploiting young women workers under the Sumangali Scheme. These brands and retailers included, amongst others, H&M, C&A, Marks & Spencer, Next Plc, S.Oliver, Diesel, Inditex, Old Navy (GAP), Timberland, Tommy Hilfiger, Primark, TESCO, Bestseller, Mothercare and Asda-Walmart.

As a result, there has been a lot of discussion amongst key stakeholders in the textile and garment sector in Tamil Nadu to better understand the issue of Sumangali and the extensiveness of the practice. There have been various initiatives led by the *Ethical Trade Initiative*,¹² *Fair Wear Foundation*, *Brands Ethics Working Group (BEWG)*,¹³ *Business Social Compliance Initiative*,¹⁴ *Business for Social Responsibility* and others to identify and confirm the problems as highlighted in media reports and take appropriate action.

At the local level, the Tirupur Exporters' Association (TEA) set up an informal multi-stakeholder group called the *Tirupur Stakeholders Forum (TSF)*, comprising stakeholders in the Tirupur garment clusters (NGOs, trade unions and brands represented by BEWG) to work out a joint strategy to deal with this issue. Before the establishment of the TSF, Solidaridad had also initiated and supported the *Tirupur Steering Group (TSG)*¹⁵ that comprised four trade unions and four NGOs that researched the subject in consultation with local stakeholders.

1.2 Research Background and Rationale

Solidaridad and the FLA agreed that the issue of the Sumangali Scheme needed further exploration and elaboration to better understand the totality of issues to be addressed. It was apparent that there was no clear consensus among various stakeholders on issues related to Sumangali. The information that was available described wide exploitation of young women workers under the Sumangali Scheme; however, stakeholders such as garment manufacturing units and spinning mills mostly denied the existence of such exploitative practices. Brands and retailers responded to the research studies and global media reports by making public statements about eradicating Sumangali from their supply chains.

TSF has been active in developing guidelines around conditions of hostel facilities for garment

manufacturers, including those within their own (and integrated) spinning mills. Various research findings and media reports focused on a few suppliers, who were linked with international brands and retailers. There was mention of spinning mills being the centre of the Sumangali Scheme, but none of the research and global studies have focused on the mills involvement, the mills associations, or the supply chain relationships in the South Indian textile industry, specifically in Coimbatore/Tirupur.

Solidaridad and FLA felt that the available information was too limited in scope and would limit identifying comprehensive solutions and supply chain linkages around the issue of Sumangali. Solidaridad and FLA agreed that it was important to bring key stakeholders at each stage of the supply chain to the table to discuss the issues and develop solutions. The two organizations further realized that without involving the relevant Indian authorities, including the Ministry of Labour and Employment and the Ministry of Textiles, and without understanding the larger issues around Sumangali, the exploitative practices would not be eradicated. Hence, Solidaridad and FLA decided to conduct a research project focusing on the Sumangali Scheme in Tamil Nadu textile and garment industry and the supply chain linkages.

The following is the overall scope of the research:

- Understand the characteristics that make up the Sumangali Scheme and identify the elements that violate local and international labour standards;
- Understand the scale and extent to which the Sumangali Scheme is being utilized in Tamil Nadu in the garment and spinning mills and map the supply chain linkages.
- Identify the characteristics that make up the employment life cycle of a worker within the Sumangali Scheme.
- Understand the social, cultural, and other dynamics that allows the Sumangali Scheme to flourish, specifically from the perspective of the workers and their parents. In particular reasons that make parents send their daughters to work under such a scheme (social aspects, economic aspects, marriage and dowry aspects, etc).

- Obtain an update on the Madras High Court order around fixing the minimum rate of wages for apprentices and how it suggests its implementation in spinning mills and garment production units.
- Discuss and analyze research results thereby developing recommendations for different stakeholders on how to address the Sumangali Scheme following all aspects of the law, including assessing the current gaps that exist and initiatives to eradicate its exploitative elements and discussing alternative employment schemes that will meet labour standards as well as the needs of the families that fall prey to exploitative employment schemes like Sumangali and what is necessary to achieve this.
- Propose a comprehensive action plan for the sector to eliminate the exploitative nature of the Sumangali Scheme.

1.3 Research Methodology

The research to understand the overall characteristics and supply chain linkages in the Sumangali Scheme in the Tamil Nadu T&C industry consisted of:

1. Conducting comprehensive desk research on the subject to understand and be aware of work done by various agencies in this area;
2. Meetings and interviews with representatives of industry associations, including the Tirupur Exporters' Association (TEA), Southern Indian Mills Association (SIMA), Tamil Nadu Spinning Mills Association (TASMA) as well as other garment manufacturers and spinning mills owners;
3. To understand the workers' perspective, a survey was done among a representative sample of workers in Tirupur/Coimbatore. This was followed by visit to villages in Tamil Nadu where spinning mills recruit workers. Visits were conducted in 12 villages in three districts (Virudhnagar, Theni and Sivaganga). These villages and districts were identified after discussions with local NGOs and other stakeholders in Coimbatore/Tirupur. During these visits, meetings and interviews were held with workers, their parents and other family members (grandparents, sibling, etc.). In addition

to meeting with workers in villages, a sizeable number of workers were interviewed from a network of spinning mills in the factory setting.

4. Lastly, discussions were held with various brands and retailers to understand their perspective.

1.4 Overview of Research Findings

The following are some of the key research findings:

- Over 80% of the Sumangali Scheme is identified to be in the spinning mills sector and less than 20% in garment manufacturing process. Hence, the need for a holistic approach to engage with all spinning mills and other relevant stakeholders.
- Less than 30% of the yarn from spinning mills in Tamil Nadu is used directly in the supply chains for global brands and retailers.
- Direct exports of yarn to countries like China, Bangladesh, etc., may be another conduit through which yarn produced under the Sumangali Scheme may enter the supply chains for international brands and retailers. The spinning sector exports about 23% of its production.
- There are direct supply chain linkages between the Indian domestic market and the Sumangali Scheme, as a large part of the yarn from Tamil Nadu spinning mills is used in the domestic textile and garments market.
- The characteristics of the Sumangali Scheme are not uniform in textile mills and garment manufacturing facilities. It even varies in different places and in different mills and garment manufacturing units. The labour and employment practices it violates are the following:



Workers participate in a group discussion session.

- ▶ **Employment contract**—No written contract between employers and employees in most cases.
- ▶ **Wages and deductions**—Workers are employed and retained as apprentices, and are paid mostly stipends rather than regular wages with deductions taken out for amenities. High deductions reduce monthly payment. The monthly payment comes out to be less than stipulated as per minimum wages in the spinning mills sector.
- ▶ **Social security benefits**—Provident Fund (PF) and Employee State Insurance (ESI) benefits not provided.
- ▶ **Health & safety**—No training provided to workers, hence very low awareness of health & safety issues. Instances of accidents are common.
- ▶ **Working hours**—Normal shift up to 12 hours with additional 4 hours mostly not treated as overtime. Sometimes the working hours extend up to 15 hours with overtime of 2-3 hours.
- ▶ **Non-discrimination**—Young women are mostly employed and paid less than what men are paid for same work. The employment is mainly of young women workers.
- ▶ **Harassment or abuse**—Verbal abuse is common. Physical abuse is not very common but there are instances of it. Sexual abuse is also reported by workers.
- ▶ **Child labour**—Young women workers are being employed. Many of them look like they are under 16 years of age; however their employment is on the basis of health (fitness) certificates, which mention their age as above 16. But they look much younger.
- ▶ **Forced labour**—The employment is for a number of years (1, 2, or 3) and there are instances of wages not being paid if the stipulated period is not completed. Wages are promised as lump sum at the end of a period, so workers are in a way forced to complete that period to get lump sum wages. There are examples of extension of service for many months to make up for leave taken during 3-year period. Compulsory overtime, compulsory late night shifts, excessive working hours are other aspects which suggest the scheme has aspects of forced labour.

- The parents are forced by social and economic reasons to send their daughters to work under the Sumangali scheme. Young women have little education and limited or no opportunities for work. A sum of Rs. 25,000-50,000 is a large amount for families in such circumstances.
- Parents from very poor families feel that it makes sense that their young, unskilled daughters work for 3 years before they are eligible for marriage at 21-22 years of age. The system ensures that at least their daughter/s have 3 proper meals a day, one fewer mouth to feed at home, and the promise of a lump sum of money which is very important to them for marriage purposes.
- For young women, the textile industry provides a way out of the remoteness of village life and limitations imposed by poverty. It also promises lump sum money, which is significant for a young woman not attending school. They do not have the opportunities that are available for girls with a little education in urban areas (for example retail sector).
- Parents are reluctant to allow their daughters to go to places where their security is not ensured. There have been instances of elopement, which scare parents and they want mills and garment unit to ensure full security and safety within the premises.
- These young women workers are primarily recruited from interior villages and poorer districts, where there are fewer or no other opportunities for employment. In a few cases, companies have their own recruitment staff or use brokers or sub-agents. These brokers and sub-brokers work on a commission basis as well as retainer-ship basis. There are instances where friends and relatives have provided introductions and acted as sub-brokers, getting a commission.
- The Sumangali Scheme has characteristics that violate labour and other legislation; however, it also emerges from the research that mills and garment units provide much needed employment opportunities, which otherwise do not exist. There is no alternative for these women with little education other than the textile industry.

2. The Sumangali Scheme

2.1 Characteristics of the Sumangali Scheme

The Sumangali Scheme goes by various names in the South Indian textile industry—‘*camp coolie system*,’ ‘*thirumangalam thiruman thittam*’—and is said to have originated in spinning mills around Coimbatore in the late 1990s. Mills identified young women workers from poor families in neighbouring districts as a possible pool of new workers.

In the 1970s, spinning mills largely had a male workforce with permanent contracts and statutory benefits, with smaller portions of workers—often women—on short-term contracts. However, with more opportunities of work, the mills began to have difficulties in retaining male workers on full contracts. They started hiring more women for certain time periods, with wages paid monthly and in lump sum payments.

Over time, the textile industry especially spinning mills, started hiring young women workers, on three-year contracts under the Sumangali Scheme, with the promise of a lump sum payment at the end of 3 years. ‘Sumangali’ in Tamil means ‘*happily married woman*,’ an auspicious future that all parents wish for their young unmarried daughter/s. Marriages entail sizeable expenses in the Indian context, especially in the form of dowry, though this practice is prohibited by law.

Parents, especially from poor backgrounds, struggle to earn and save sufficient money to get their daughter/s married off with reasonable gifts at the time of marriage (often including dowry). Hence, the Sumangali Scheme provided an opportunity to employ young women workers, who had few or almost no opportunities to find gainful employment in their respective villages, with the promise of a lump sum payment at the time of their marriage. The Sumangali scheme seemed to be a win-win situation for all: parents received a sizeable sum at the end of 3-years that could be used towards the marriage of their daughter and the mills got workers willing to work in the mills continuously as ‘apprentices,’ mostly for no/little statutory benefits and for wages lower than their male counterparts.

Another reason why the Sumangali Scheme

flourished in spinning mills is the location of the mills in semi-urban or rural areas, where trained manpower is difficult to find and young women workers are considered to be a cheap resource, willing to work for lesser wages. Preference for women over men in the spinning sector is also attributed to women being easier to manage at work and more adept at handling repetitive tasks. Other reasons for the feminization of labour in spinning mills also include women being more willing to accept employment as casual or temporary workers at lower wages and inferior conditions of work and their lesser likelihood of joining trade unions. With young women workers, often below 18, these aspects



Mallika, who worked in a mill in Tirupur for 3 years, now goes to a mill in Theni as a day worker.

were magnified, as these workers have little awareness regarding rights or collective bargaining and they are not considered equipped to stand up for themselves on issues that affect them.

Under the Sumangali Scheme, young women workers were employed as apprentices for 3 year contracts for payment in the range of Rs. 25,000-50,000 (approximately US\$ 500-1000), payable at the end of the contract term. In addition, these workers were provided accommodations at a hostel facility and monthly stipends, paid to them or their parents, after expenses for hostel and meals were deducted. The young women workers employed under Sumangali were mostly 18 or younger, since they were supposed to get married around the age of 20-21 and 3-years was seen as sufficient amount of time for families to earn some

amount to meet marriage expenses for their daughters.

Spinning mills range from small units employing around 100 workers, to very large mills with up to 6,000 employees. Mills are capital intensive, investing in high-end machinery and equipment, and working round the clock in 3 shifts to get their return on investment. As mills require large tracts of land, and property costs are very high close to towns, spinning mills are usually located in the periphery of towns, with newer ones even further away. Most of the workers in mills are young women, as a way to keep labor costs low and remain competitive. Mills with hostels are mainly located on the outskirts of towns in the districts of Coimbatore, Karur, Dindigul and Erode. In larger towns like Tirupur and Coimbatore, instances of employment under the Sumangali Scheme are rare in comparison to other districts, as land is more expensive and there is little space for sprawling factories with hostels.

The characteristics of the Sumangali Scheme are not uniform in textile mills and garment manufacturing facilities.

2.2 Criticisms of the Sumangali Scheme

The Sumangali Scheme was started with good objectives in mind. However, after it became popular, each mill began interpreting it differently, leading in some cases to the exploitation of young women workers. Sumangali has been criticised and highlighted as a means by which textile industry employs cheap labour by forcing young women workers to work as “apprentices” for long hours, in poor and unhygienic working and living conditions, forcing them to stay in company-operated premises or hostels, and limiting their contact with the outside world, thereby violating their fundamental rights and freedom of association. It is alleged that young women workers are employed usually for 2, 3 or more years and are promised a lump sum amount—in the range of Rs. 25,000 to Rs. 50,000 (US\$ 500 to 1000)—to be paid to them or their parents for their marriage. These young women are alleged to be paid only as apprentices (trainees), well below the minimum wages fixed for workmen, without statutory benefits

Broad-Ranging Characteristics of the Sumangali Scheme	
EMPLOYMENT PROCESS	GENERAL CHARACTERISTICS IN THE SUMANGALI SCHEME
Recruitment	<ul style="list-style-type: none"> Various means are employed to create awareness about job opportunities: • Staff directly employed to create awareness/mobilise workers from nearby areas • References from workers employed in the units • Relatives who get commission on every successful case • Brokers who get commission • Brokers who get retainer-ship • Some women workers also act as sub-agents (though number is low)
Employment Contract	<ul style="list-style-type: none"> • A written contract is rarely provided. In some cases, parents have signed various documents (including blank papers), however, the majority of workers do not have a copy of the legal contract with mills/garment manufacturing unit • Annual contract system • Initial training for 3-6 months and then 3-year contract • Recently, 2 year contracts are being provided
Term of Contract	<ul style="list-style-type: none"> • Casual workers—3 months and less; 4 to 6 months; or more than 7 months, according to experience • 1 year contract—lump sum of Rs. 15,000 plus PF amount • 3 year contract—lump sum of Rs. 40,000 plus increment of Rs. 5 per day every 6 months and PF amount at the end of the period
Age at Hiring	<ul style="list-style-type: none"> • On paper, 16-18 years; however, it is purely on the basis of fitness certificates • Some workers look very young, and therefore it is difficult to ascertain their age
Workers Awareness	<ul style="list-style-type: none"> • Workers not aware of wages and deductions • Wages include an amount as stipend, though a part of it is deducted against hostel fees, food, ammenities, etc. and some part of it is held back as a lump sum amount usually paid at the end of their three-year term.

such as Provident Fund (PF) and Employees State Insurance (ESI), and made to work for long hours.

It has also been highlighted in various studies that these young women's parents, who are poor, are persuaded by agents/brokers to send their daughters on the promise of a lump sum payment. A petition was filed by trade unions in the Madras High Court,¹⁶ calling this Scheme in the current form illegal and amounting to bonded labour.

The Sumangali Scheme has been criticised for many

reasons, among them that it represents a violation of workers legal and labour rights. The following are the key points of criticism that have been highlighted in various reports:

2.3 Sumangali Scheme—Value Chain Analysis

One of the important aspects of the current research was to understand the supply chain linkages of the Sumangali Scheme, as it is being practiced in the Tamil Nadu garment cluster. This was discussed with industry

Key Points of Criticism	
EMPLOYMENT PROCESS	GENERAL CHARACTERISTICS IN THE SUMANGALI SCHEME
Freedom of Movement	<ul style="list-style-type: none"> • Around-the-clock surveillance. • No independent activity outside the hostel. • Weekly time off when workers are allowed outside for their purchases (accompanied by factory officials). • Limited communication with family members or communication in front of factory officials. • Restrictions on even parents visiting the workers.
Wages and Deductions	<ul style="list-style-type: none"> • Wage designed to be monthly wage (stipend for apprentice) and deductions for amenities, hostel, etc. • High deductions that reduce the monthly payment (stipend). • Wages paid to parents or the workers. • Workers made to work for 4–6 months (minimum) extra if they have taken leave during the 3 year period (1 month for every 1 leave). Wages not paid for this additional period (only lump sum amount paid).
Social Security Benefits	<ul style="list-style-type: none"> • PF and ESI benefits are not provided.
Employment Contract	<ul style="list-style-type: none"> • In majority of cases, workers do not have a copy of the contract.
Health & Safety	<ul style="list-style-type: none"> • No training of workers on health & safety. • There are instances of work accidents during which workers have been injured and died.
Working Hours	<ul style="list-style-type: none"> • Normal shift of up to 12 hours (additional 4 hours not treated as overtime but compulsory). • Extends to 15 hours with overtime (2–3 hours normal). • 18 hours shift too sometime, depending on work
Non-discrimination	<ul style="list-style-type: none"> • Mostly women are employed under Sumangali system and live in hostels. They are easily threatened and exploited. • Lower amount is paid to them than is paid to men for the same type of work.
Harassment or Abuse	<ul style="list-style-type: none"> • Abuse and harassment is rampant. As the majority of workers are women and the hostels managed by men, there are instances of sexual harassment as well. • Verbal abuse is very common; physical abuse is not so common, but there are instances.
Child Labour	<ul style="list-style-type: none"> • Most young workers look like 12–14 year old. • Employed mostly on health (fitness) certificates, which are easy to make. Hence, very difficult to determine if they are adults or not (though they look like children).
Forced Labour	<ul style="list-style-type: none"> • Workers agree to have a 1–3 year contracts, with lump sum payment at the end of contract. • Not paid regular monthly wages but rather paid stipends with deductions taken out for amenities. • Extension of work for leave taken during the 3-year period. • For these reasons, Sumanagli Scheme is considered as a form of forced labour. • In addition, compulsory overtime, compulsory late night shifts, excessive working hours and inadequate pay for overtime are characteristics of forced labour.

associations, individual garment manufacturing units and spinning mills, NGOs, and other key stakeholders. The findings revealed that the majority of practices identified to be exploitative under the Sumangali Scheme were being practiced in the spinning part of the garment production value chain and to a lesser extent in garment manufacturing itself—approximately 80% in spinning mills and 20% in garment manufacturing.

The Sumangali Scheme is identified in different parts of the apparel value chain as illustrated in the diagram below.

Spinning is the process of conversion of fibres into yarn. These fibres could be natural fibres (cotton) or man-made fibres (polyester). Spinning also entails production of man-made filament yarn (yarn that is not made from fibres). The final product of spinning is yarn. Spinning is the foundation of all subsequent value additions in the textile value chain, i.e., weaving, knitting, processing, and garment and made-up production depend upon it.

Spinning mills play an important role in the textile and garment production chain, as they provide the most important raw material (yarn) which is then converted into fabric and used in garment manufacturing. In terms of the supply chain, it is the third step immediately after

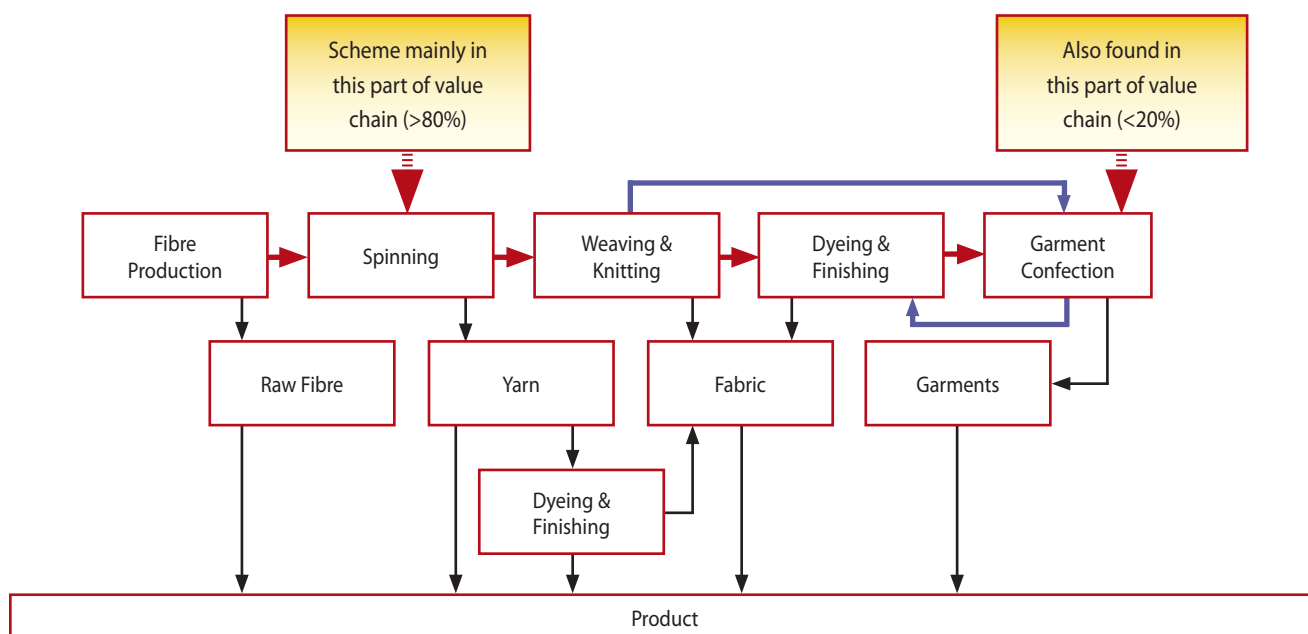
cotton cultivation and conversion into cotton bales by gins (ginners). The spinning mills are mostly owned and operated by individual mill owners; however, there are also sizeable manufacturers who have integrated manufacturing processes, i.e., spinning mills, weaving/knitting, dyeing & finished and garment manufacturing. Many large garment manufacturers own integrated facilities, whether at one place or located at different places but owned by the same owner/company.

In terms of the spinning mills and the end use of its products, that is yarn, there are different supply chain aspects which are important to understand, especially from the context of the global brands and retailers who have been targeted around the issue of Sumangali.

Spinning mills sell their product through one of the following four ways:

1. The yarn from the mills could be sold directly to garment manufacturers who are exporters of garments. In this case, the spinning mill product is **indirectly exported** to the global market and, hence, the involvement of global brands/retailers.
2. The yarn from the mills could be **directly exported** by the spinners themselves. This could be, for example, to countries in Europe, the U.S.

Depiction of Textile Value Chain and Sumangali Scheme¹⁷



and other countries where this may be used to produce fabrics. The yarn could also be exported to countries like China, Bangladesh, etc., which would further use it in garment production and then export these garments into the international market. In case of direct export by spinners, international brands and retailers may not be directly involved. However, in case yarn is used by suppliers in China and Bangladesh, then the supply chain of international brands and retailers would be involved.

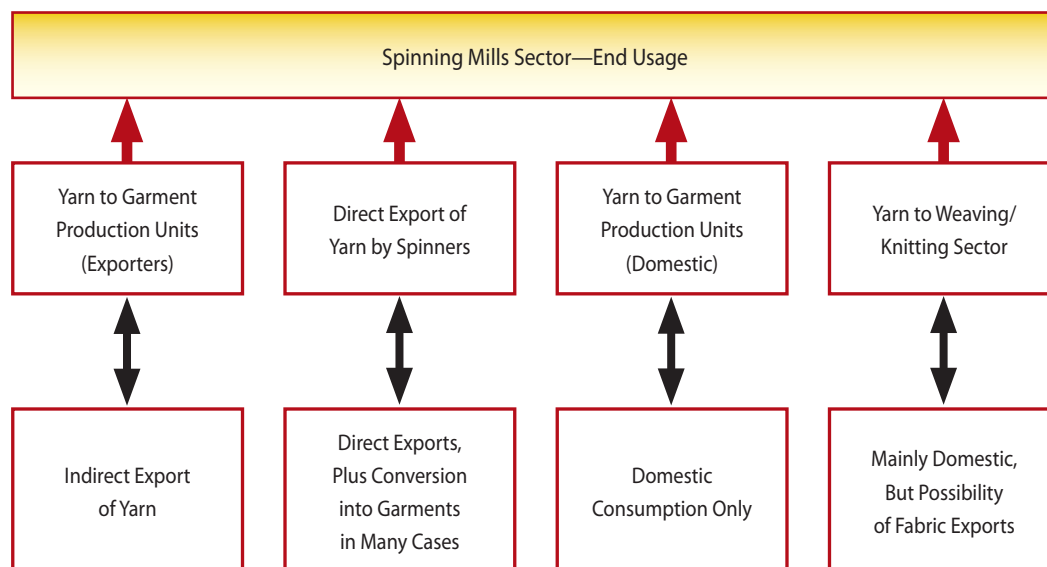
3. The yarn from the mills could be sold to garment manufacturers who mainly supply the domestic Indian market. In this case, brands and retailers from the Indian domestic market would be involved, but no other international brands and retailers, unless they sell in the Indian market (e.g.,

H&M does not sell in India, whereas Mothercare does sell in India). In this case, there is **no export** to global brands and retailers.

4. The yarn from the mills is provided to the weaving/knitting sectors, which converts the yarn into fabric and other uses and it is then made into various products. These products could be for the Indian domestic market or for the international market. Thus, there could be involvement of international brands and retailers, but it is not clearly defined. Thus, there **could be export** of such yarn depending on the end use of the product.

This value chain analysis of the spinning mills sector and the usage of its products i.e. yarn is depicted in below.

Spinning Mills and End Use of Yarn¹⁸



2.4 Relevance of Value Chain Analysis with Campaigns on Sumangali

There have been various research studies and campaigns that have highlighted international brands and retailers sourcing their products from companies who have been using Sumangali Scheme in their supply chains. On the heels of these research studies and campaigns, there have been several initiatives locally and globally to address the issue of exploitation and to eliminate the

practice of Sumangali. These initiatives in India include: Tirupur People's Forum,¹⁹ Campaign against Sumangali Scheme (CASS),²⁰ Tirupur Steering Group, and Tirupur Stakeholders' Forum, amongst others. Globally, such groups include: European Coalition for Corporate Justice, Anti-Slavery International, Ethical Trading Initiative,²¹ Fair Wear Foundation, Corporate response to the SOMO/ICN report,²² Brands' Ethics Working Group, and Business Social Compliance Initiative

(BSCI), amongst many others.

These reports and initiatives clearly highlight the need for participants in the sector to get together and eliminate the Sumangali Scheme and other exploitative practices. The key focus in campaigns has been the garment manufacturing part of supply chain and the international brands and retailers, sourcing from India. The value chain analysis of the textile and garment industry, especially the spinning mills sector, in this research has identified elements which need to be focused on to build a holistic approach to understand the extent of the Sumangali Scheme and to find a long term and sustainable solution to the issue of exploitation under Sumangali.

This is very important, especially for the following reasons:

- From our meetings and discussion with three industry associations and other key stakeholders in the textile sector, we have concluded that **less than 30%** of the yarn from spinning mills is used directly in the supply chains of global brands/retailers. Hence, any initiative, which focuses only on global brands and retailers while ignoring other important stakeholders, is not sufficiently broad.
- The majority of the use of the Sumangali Scheme and its exploitative practices was identified to be in the spinning mills (over 80%); hence, a holistic approach needs to be developed to bring all spinning mills on board. As of now, none of the local (Indian) and international initiatives have been able to engage intensively with spinning mills and their associations, who would be key to eliminating the Sumangali Scheme.
- There has been a lot of dialogue and pressure on the garment manufacturers who are in direct contact with the international brands and stakeholders. As a result, the Tirupur Stakeholders' Forum (TSF) came into being. However, our analysis suggests that the main association of garment exporters, the Tirupur Exporters' Association (TEA), through its members does not own more than 50 spinning mills out of more than 2000 mills in the state of Tamil Nadu. Hence, even if the TSF is successful in mobilising its members, this may not effectively eliminate exploitative practices under Sumangali. TEA represents only

20% of the garment manufacturing supply chain that is found to have Sumangali practices; thus, the majority (80%) of spinning mills supply chain that were found to have Sumangali-like conditions would not be covered by these initiatives.

- The research reports and campaigns completely ignore the domestic market link to the Sumangali Scheme. The spinning mills supply large amounts of yarn to domestic manufacturers as well as to the weaving/knitting sector, which in turn supply fabric to the domestic market.
- The companies which buy yarn directly from spinners need to be identified, with help and support from the spinning mills and associations, and they need to be part of any initiative/s.
- Government, which legislates and inspects mills, needs to be involved and on board for any significant and holistic solution.

The research highlights that meaningful and sustainable solution to the issue of Sumangali Scheme need to be much broader and follow a participative approach with involvement of all key stakeholders, especially industry participation from spinning mills and garment manufacturers. In addition, the supply chains of not just international brands and retailers, but also of domestic buyers as well as users of direct exports of yarn, need to be on board.

3. Stakeholders' Views on Sumangali Scheme

3.1 Introduction

The research team met with representatives of textile mills, garment manufacturing units, brands and retailers, NGOs, trade unions, local government institutions, workers, ex-workers and their relatives, as well as the three leading industry associations of the textile industry in Tamil Nadu. These associations include Southern India Mills' Association (SIMA) in Coimbatore, Tamil Nadu Spinning Mills Association (TASMA) in Dindigul, and Tirupur Exporters' Association (TEA) in Tirupur. The following are the perspectives provided by the key stakeholders:

3.2 Response of Workers, Parents and Relatives

The most important aspect of the research was to visit some of the home villages of the women who go to work at spinning mills and garment manufacturing units under the Sumangali Scheme. The original research plan was to interview a representative sample of 100–150 workers in Tirupur and Coimbatore working under the Sumangali Scheme and then connect with their families to understand the Scheme from the families' perspective. However, it was almost impossible to get in contact with the workers housed in hostels, as they were seldom allowed out. On the rare occasions when they went shopping, they were in company vehicles and taken into a shop with escorts, preventing anybody from speaking to them. Hence, we travelled to the “source areas” to connect with workers, ex-workers and parents of workers, to get an understanding of the reality of the Sumangali Scheme.

Ninety spinning and garment manufacturing workers or ex-workers from 12 villages in three districts of Tamil Nadu were identified with the support of local NGOs in the field. In September 2011, visits were made to three districts—Virudhunagar, Theni and Sivaganga,—and 34 workers and their families were interviewed in the 12 villages. Also interviewed were families of 22 other female workers who were either away at work or had died after working in different textile units. Visits were also made to Tirupur and Karur in September and January 2012, where researchers gathered information from male and female workers, their parents, grandparents, siblings and close relatives. The visits helped researchers to understand the realities of workers in towns, focusing on current workers in mills and garment manufacturing units. In this exercise another 29 female and 5 male workers were interviewed, in addition to individuals with close relatives working in mills and garment factories.

In total, data regarding 90 workers—85 females and 5 males—were collected. Of these, 68 workers (63 females and 5 males) were the subject of direct interviews and meetings whereas information regarding 22 workers was gathered through their parents, siblings and relatives. These 90 workers held a total of 128 jobs between them in 34 units across spinning mills, textile

units and garment factories.

It is important to note that in some cases, young women workers did not complete their first term, but went on to work in another company after a short gap and completed their term. Others who completed their term did not receive the promised lump sum the first time, but received it in their second jobs with a shorter term. Some received their sums both times and a few went on to complete a third. Among the 90 workers, 70 female workers had worked 93 (of 118 jobs in 28 factories) under Sumangali schemes or with the promise of lump sum payments at the end of their term. All these jobs were in mills or garment factories but conditions in the mills and hostels, including the issues and challenges at work, varied across employment situations.

To enable us to capture the scale and prevalence of Sumangali, and the number of participants in the Scheme who actually got paid at the end of their term, the data analysis was based on the number of jobs undertaken within the Sumangali Scheme, rather than the total number of workers interviewed.

In addition workers' parents and relatives were contacted for their perspectives on how the Sumangali Scheme impacted their family and community. Local NGO representatives were present during all of the discussions in the field. Data collection was through individual interviews and focus group discussions (FGDs) when there were more than 2 to 3 interviewees at a time. For the analysis, a combination of quantitative and qualitative methods was used to capture the reality and extent of the issue.

Textile Production Hubs and “Source Areas” of Workers²³

The Rural Context

The textile industry, especially the spinning mills, provides employment opportunities for large numbers of people in rural areas, where livelihood opportunities are mainly in agriculture, construction, and brick kilns. Although the earnings of a person in a garment or spinning unit is not enough to manage a family's needs, it is seen as an addition to family income in rural areas,

and for young women a better choice than the existing options in villages.

Production Hubs	Source Areas
Coimbatore/ Tirupur	Pollachi, Udumalpat, Sathyamangalam Belt Around Coimbatore
Dindigul	Tirunelveli, Virudhunagar, Sivaganga, Pudukkottai districts
Karur	Pudukkottai, Thanjavur, Trichy, Cuddalore, Tiruvannamalai districts
Erode/Salem	Namakkal, Perambalur, Viluppuram, Cuddalore, Tiruvannamalai

Ten years ago, poverty was the reason for parents to send their children to work. For poor agricultural labourers and marginal farmers, one person's income from the mill meant there would be food on the table, or younger children would get a chance for education. Additionally, the lump sum provided an opportunity to pay off debts, and if lucky, they could use some money to get the young women married.

Now, the emphasis in finding employment for daughters is to save money for a dowry, while keeping them safe until a suitable alliance is found for the young women. These young women view mills as an opportunity to escape from the remoteness of village life, the limitations of poverty and the drudgery of housework, before they settle down to the responsibilities of married life and running a home.

It is not only the young women who are attracted to work in mills. Large numbers of women with children who have been abandoned by their husbands are also dependent on jobs provided by mills.²⁴

The Peri-Urban Context

Workers in textile hubs like Tirupur and Karur are emphatic that there are no Sumangali workers in urban areas. Their reasoning is that due to the acute shortage of manpower, workers can find alternate jobs at any time at regular rates, so there is no need to accept jobs at lower wages. Secondly, in Tirupur, Coimbatore and Karur-belts, no large unit will employ child labour; young workers (below 18) can be found at small, home-based units. Again, it is difficult to find families with more than two children of school-going age, and with increased awareness on education, it is unlikely there

are any children out of school. Children are more aware of the need for education and want to study further; parents too want a better future for them than they themselves had, and for this education is the key.

Yet, there are a small number of workers from peri-urban areas of Karur in hostels. But parents do not disclose that the young women are working in mills, and cover up their absence saying they have gone to spend time with grandparents in their native place, or with an aunt in a bigger town.

Management's Perspective

Parents are known to prefer mills with the highest walls around the mill and hostel. While leaving young women at the factories, parents repeatedly seek reassurances that their daughters will be safe and secure in hostels; the management on their part assure parents that the young women will be safe, chaperoned at all times.

Instances of young women living in the hostels eloping with day workers after work or during a shopping trip are not rare; often, they take a house far away from the mill, find jobs in other units and stay together for a couple of months, after which, the boy may quietly disappear. The woman is left to stay on her own, or return to the mill, often pregnant. When management apprises parents of a missing worker, all of the parents of workers from the same village turn up, create a scene and take away their daughters. Management has to keep the mill working. It is difficult for them to control the day workers, so they exercise control over young women workers in the hostels to prevent such occurrences.

Adolescents' need for friends, companions and emotional relationships with peers, as they grow more independent from parents, is rarely focused on, but mills seem to have tuned in to this aspect well. Mills make it a point to return to the same villages for more recruits. Women workers from a village are usually allowed to room together, and this helps create a bond that keeps these workers from being too homesick and newer workers adjust quicker to life in hostels.

Parents' Perspective

Why do parents succumb to the lure of the mills? A combination of economic and social pressure is often the reason behind their decision to send their daughters

to work under the Sumangali Scheme. As per various studies, almost 60% of the workers under Sumangali are from scheduled castes or backward communities. We could not verify this claim, as we visited only three districts and 12 villages, however, our discussion with workers and NGOs suggest that this may be the case.

For parents, agriculture is the main occupation; most families are marginal farmers or landless labourers. With little rainfall and inadequate returns on farming, parents are forced to look for alternatives; adults find employment clearing scrublands, in construction activities, brick kilns, etc., but this does not interest young women who have some schooling, so they opt to stay at home.

Parents are never happy about leaving impressionable young women unsupervised at home. They fear the restrictions and limitations of villages, coupled with youthful yearning for the choices available in towns, leave young women vulnerable to advances from unsuitable men, leading to elopements or undesirable liaisons that prevent good marriage alliances.

Single parents or estranged families, where the father does not provide for family needs, and very poor families, who depend on their daughters to provide a monthly income, take comfort in the thought that by sending a daughter to the mill, at least one person in the family will be safe, fed, and well cared for. Also, there will be a regular inflow of money to run the house and reduce the burden on the household, and a lump sum payment at the end to help reduce debts.

The social pressures of accumulating sufficient dowry to ensure a good alliance is a big factor in parents' decisions, as they see other parents forced to agree to second marriages or relationships with older men when there is insufficient money to meet marriage demands.

With such a scenario, three years in a mill with their daughters engaged profitably while learning a trade, accommodated and fed comfortably in a supervised setting, with limited access to the outside world, is viewed by parents as a good way to keep their daughters safe until they are ready for marriage. Assurance that they can keep in touch by phone, visit once a month, collect an amount that can add to the family kitty, and the promise of a lump sum amount at the time of marriage, helps convince parents that they are doing the

right thing for their daughters.

Parents struggling to cope with the challenges of dealing with difficult adolescents look at three years in a mill as a way to quell rebellious spirits and instill some discipline. In some cases, illiteracy and greed motivates parents to send the daughters to work. But often it is these young women who pressure their parents to send them to work, seeing it as an easy way out of studies and strict rules at home.

Perspective of Young Women Workers

For young women, the main motivation is to escape from studies and homework in which they have little interest. Workers and parents quoted instances when very young women (age range of 12 to 14) ran away from home and joined mills when parents did not give them permission.

For little older workers, 14 to 18, who are out of school, the textile industry is a way out of the remoteness of village life, the limitations imposed by poverty, and the drudgery of housework that is left to them when parents go out to work in the morning. Life in villages is strict, and the mill represents freedom and proximity to towns for them. Others are young women from single parent households, broken or very poor families, with parents depending on them to earn some money each month to put food on the table. They have little choice, and are the ones most likely to stay and complete the 3-year term.

For those who finish school and do not want to continue their education, there are better opportunities in the retail sector, which pay more and where work is less arduous, but those entail living in towns, without the security of hostels that mills provide, hence, some of the young women still opt to work in mills with other women from the village.

The attraction of Sumangali is the monthly wage and lump sum payment ranging from Rs. 25,000-50,000 (approx. US\$ 500-1,000). No other job gives them the prospect of a lump sum amount, especially after 3 years, and Rs. 25,000 is a significant sum for a young woman out of school. In every village, there are one or two women who have collected the lump sum amount, so there is never any doubt that they too will receive the money.

The young women also know they are waiting out their time to be married in approximately 3 years, by

which time parents need to organise the money for their dowry; being away from the confines of the village and the strictures of parents and elders, while also earning the dowry is an attractive thought, especially with other women from the village working in the same mill.

The Conspiracy of Silence

Issues at factories such as the hard work, forced overtime, exhaustion, insufficient sleep, or even injuries are rarely discussed by workers when they share their experiences with other young women who plan to join work. Parents too keep quiet fearing gossip and speculation even when their daughters cry on the phone to them, wanting to return home as they are unable to bear the work pressures or the hard life.

NGO workers in the field insist that apart from the difficult work life, there is also harassment, in particular sexual harassment occurring in mills and garment manufacturing factories. Young women workers rarely admit it as they have been warned by parents never to discuss such matters. “There is an impression that women workers from the textile and garment industry are promiscuous, so both parents and women workers keep silent, afraid it may affect marriage prospects. Yet, in mills where young women workers have nowhere to go and supervisors are all powerful, sexual advances, harassment and abuse is high.”²⁵

Adapting to Life at Work

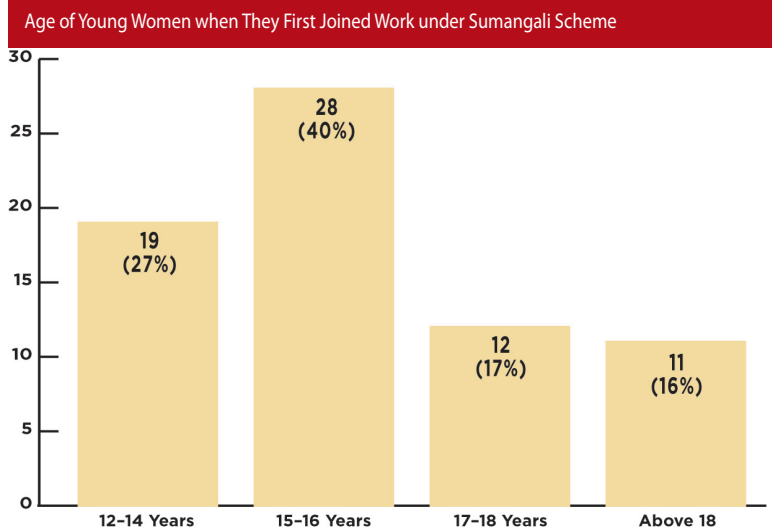
Of the 70 women workers who have been part of Sumangali Scheme, 47% took up jobs in mills due to their families’ urging and need for a monthly income to sustain the family, while 53% chose to take up the work so that they could earn money for their dowry, and/or to get away from the village. In the latter case, parents were initially not in favour, but gave in to their daughters’ demands to be sent to work.

Though initially homesick, women workers adapted to life at work and in the hostels because of other women from the same village and they enjoyed the freedom from the strictures of parents for a while. Used to a simple fare of rice gruel and curry at home, the women workers were happy about the variety of food

available in the hostels. Being with friends, access to unlimited TV and music to dance to were all things that made life “jolly” for women workers in hostels, despite the hard work and exhaustion.

Most of the young workers in the 12 to 14 age group either ran away from home or pressured their parents to be sent to work. Young women workers above 14, were forced by the financial constraints at home to take up work in mills, or made decisions based on first-hand accounts from friends and neighbours who were already in mills. Respondents who were above 16 were clear that among the livelihood choices available to them, work in mills with the offer of lump sum payment gave them the best chance to save money for their dowry.

Work in mills is considered a job for young women workers. Most young women opt out of working after a 3-year term; marriages are usually arranged by the end of 3 years, to take place soon after the money is collected. Few workers wish to continue working after marriage; if there are financial compulsions, they prefer



to switch to day worker category. Older workers feel the job is ideal for young women workers with no pressures at home; after marriage, balancing responsibilities at home, children and long work hours is difficult.

Employment Under Sumangali Scheme

The phrase “Sumangali Scheme” or “Mangalya Thittam” are not familiar to workers; these young women workers only know that they take up employment under a “3-

year Scheme” in which they are entitled to a monthly payment each month, and a lump sum at the end of the period, with a total earning of over Rs. 50,000- (approx. US\$ 1,000). During this period, they would be housed in a hostel at no cost to them, while a token amount of Rs.10-15 (approx. US\$ 0.20-0.30) per day would be deducted for food from their monthly wages.

In the mills and textile units, not all workers are employed under a 3-year scheme; some mills offer one-year and two-year schemes, as well as the option to switch to a three-year scheme.

Most mills have both day workers and workers living in hostels. The majority of workers under these annual employment schemes stay in hostels. Older workers are usually employed as casual workers, without any defined term or lump sum payment provision.

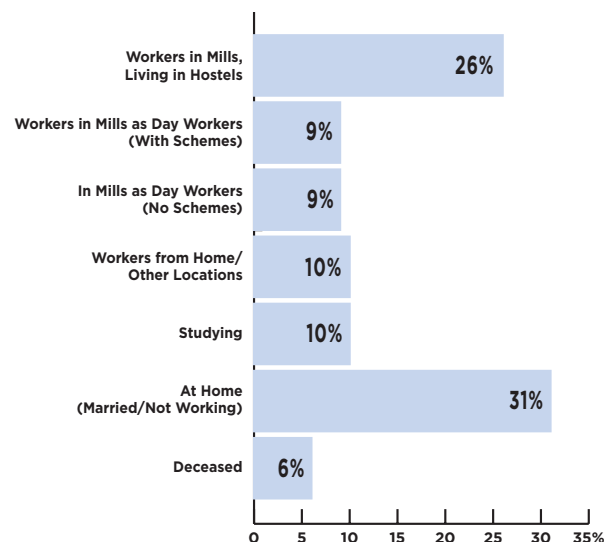
Current Status of Respondents

Recruitment

Young women in the interior villages of poorer districts are the targets for mills, since others closer to larger towns have greater opportunities for higher education or vocational training. Mills advertise unlimited TV and music, comfortable and all paid hostel accommodation, variety in food and proximity to towns, to attract young workers. The textile industry is not an unknown entity; most families have friends or distant relatives who have worked in mills, and have heard of workers getting Rs.25,000-50,000 at the end of a 3-year period. One or two young women join first, and based on their feedback, more young women from the village follow each year. NGOs estimate that in each village with about 200 houses, there would be around 25 young women in the 12 to 18 year age group; of these approximately 10-15 would be employed under the Sumangali Scheme.

Workers are recruited either through brokers or directly by companies through their recruitment staff. In direct recruitment, company vans visit villages during school vacations, distributing pamphlets, putting up posters, advertising with loudspeakers, and in recent cases, screening videos about mill facilities and benefits, including hostel rooms, TV viewing facilities, dining hall, bathrooms and toilets, security arrangements etc., to convince villagers on the safety and comfort of life in hostels.

Current Status of Respondents



Companies also have brokers who earn a monthly retainer or commission for each recruit. Sunitha (named changed), a sprightly grandmother, is a broker who has sourced “many young women workers for various mills.” She used to earn a rate of Rs. 2000/- (approx. US\$ 40) for each new recruit and currently earns a retainer of Rs. 7,000/- (approx. US\$ 140) a month.

There are brokers or sub-brokers in most villages who work on a retainer or commission basis. Often, friends and relatives who have someone working in companies provide the initial introduction and act as a sub-broker, getting a commission, though parents or the young women workers rarely know this. In some mills, employees earn an incentive of around Rs. 500/- (approx. US\$ 10) for each new recruit and a gold coin for five recruits.

Among the 70 workers under the Sumangali Scheme, over 75% joined companies through their relatives or friends, while the remaining went through company-retained brokers. Two young women of 12 climbed into the company van when it came to their village “as our parents refused to send us to the mill to work.”

Young women workers, on joining, have to agree to a set of conditions, including that they will stay in hostels provided by the company during the stipulated period. None of the workers who joined in the last 3 years could

remember signing any contract or agreement. Some think their parents signed documents on their behalf but no copies were given to them. Older ex-workers though had copies of contracts in Tamil.

New recruits are considered “under training” from 1-6 months, though in reality, women workers become part of the workforce, with training from a week to 3 months, depending on the job. However, in the mill terminology, they are considered “apprentices” during the entire term of their employment.

Wages

Wages ranged from Rs. 400/- (approx. \$8 USD) for beginners to Rs. 5,000/- (approx. \$100 USD) per month for experienced workers. However, women workers were not aware of the basis of wage calculation—the per day rate, the overtime component, or deductions per month. In some companies, the monthly payment is handed over to parents when they visit, while in others, the money is given to the workers themselves. As monthly incomes vary according to worker’s tenure in the company based on the number of days worked in a month and the overtime done during the month, it is difficult to determine exact wages.

Some workers reported an increase in salary from Rs.1,040 (approx. \$21 USD) on joining to Rs. 5,000 (approx. \$100 USD) (net take home Rs.4,100 (approx. \$82 USD) after two and a half years, while some earned a consistent wage of Rs. 1,200 (approx. \$24 USD) without any increment after two years.

Wages are calculated based on the number of days worked. In Tamil Nadu, the minimum wage for apprentices at mills is fixed at Rs.184 per day. This works out to Rs. 4,784 per month, if workers are given a day’s rest after 6 days of work; even after deduction for Provident Fund (PF), Employees State Insurance (ESI) and mess fees at the hostel, workers should be receiving at least Rs. 4,000 (approx. \$80 USD), without overtime.

Wages earned by workers under Sumangali during the last 3 years (from 2009 onwards) show that at least 50% of respondents take home less than minimum wages. Only workers from one company reported getting payslips each month.

Day workers have a choice of weekly or monthly salaries, while for workers staying in hostels, wages are paid for the month around the 10th of the following

month. Most women workers stated that money was handed over to parents directly each month, and parents gave them a small allowance for their personal needs. Only at two companies did workers state that wages were paid directly into bank accounts and that they had the use of ATM cards.

Social Security Benefits

Some mills offer Provident Fund (PF), Employees State Insurance (ESI) benefits, and bonus, while others do not offer any benefits. Women workers working in 11 mills confirmed deductions for PF and ESI, while workers in 8 mills confirmed receipt of Bonus ranging from Rs. 500-1,000 (approx. \$10—\$20 USD) per year under Sumangali. None of the women workers could remember being given a PF number or ESI card, so workers do not know how much they have accumulated as savings under PF. It is also probable that younger workers in companies are not covered under PF, or their contributions are not being remitted to the government, thus depriving workers of their right to social security benefits.

Holidays

Day workers get a day off after 6 days of work. Yet according to respondents, only 8 units were found to have weekly holidays for hostel workers. Instead, they get 5-7 days leave after every 6 months of work.

Extra Time after Scheme Duration

At the end of the 3-year contract period, some mills insist on women workers working up to 6 months extra to compensate for any leave taken, on the basis of one month’s work for every day’s leave, before the lump sum payment is settled. Yet other mills refer to the six month period as compensation for time lost to power cuts along with any leave taken by the women workers. The final payment is made only after completing this set-off period, though workers do get paid wages for the additional time. At least 7 workers confirmed having put in additional time over the 3 year term.

Lump Sum Payment

The lump sum amount at the end of the 3 year term varies from Rs. 25,000 to Rs. 50,000 (approx. \$500—

\$1000 USD) depending on the location of each unit; in very rural settings with no competition, it is Rs. 25,000, (approx. \$500 USD) while in more urban areas with more opportunities for work, it varied from Rs. 30,000–50,000 (approx. \$600-\$1000 USD).

Although 24 women workers completed their 3 year term, only 8 workers had so far received the promised lump sum payouts. One worker completed her term in August, and two others were scheduled to complete by the end of October; all 3 workers were expecting to collect their money latest by Deepavali (November 2011).

Of the 8 women workers who received the lump sum payments ranging from Rs. 30,000-50,000 (approx. \$600-\$1000 USD); one worker confirmed receipt of Rs. 42,000 (approx. \$840 USD) inclusive of PF, though the lump sum agreement was for Rs. 30,000 (approx. \$600 USD). The other 7 women workers received the actual amounts contracted.

Work Hours

8 factories with workers under Sumangali were operating under single shifts, while all others operate 3 shifts. In 3 of the units, workers successfully negotiated with management to switch to single or double shift operation, convincing management that workers were unable to work effectively under shift system and that it created health issues.

Overtime

Workers under Sumangali Scheme reported working overtime in at least 19 units; overtime ranged from one hour a day to an extra shift every other day (7 hours overtime three times a week). In one company, it was only during rush periods or festivals, though the overtime was for 4 hours each time, and they were paid a flat Rs. 70 for the overtime.

“We worked one day shift from 6 am to 2 pm, followed by a night shift from 2 pm to 10 pm, so the

Term-Limited Schemes Scale of Lump Sum Payments

	LUMP SUM PAYMENT UNDER SCHEME	NO. OF WORKERS UNDER THE SCHEME	WORKERS WHO COMPLETED THEIR TERM	WORKERS WHO RECEIVED THE LUMP SUM AMOUNT AFTER TERM	STILL WORKING UNDER THE SCHEME	WORKERS WHO LEFT WITHOUT COMPLETING TERM
1-Year Scheme	Rs. 7,500-14,000	14	12	12	2	0
2-Year Scheme	Rs. 18,500	1	1	1	0	0
3-Year Scheme	Rs. 25,000-50,000	78	24	8	20	34
TOTAL		93	37	21	22	34

Age of Workers on Joining

The average age of workers joining work for the first time under Sumangali was found to be 16. However, even workers as young as 12 had worked in companies. One young woman worker shared that among 60 women workers living in the hostel, at least 15 were in the age group of 11-12. When inspections were held, the young women workers were locked in bathrooms and warned not to make a sound. In another company, whenever there were audits or warnings of inspections, a supervisor would gather all the young-looking women workers and take them to visit a temple until the inspection was over.

hours were very long, and for the overtime we were paid another shift's salary not double as paid for overtime. Salary was Rs. 1200, but take home 750 after Rs. 300 for food, Provident Fund, Employees State Insurance, etc.” detailed one worker from one of the mills.

“In the mill, there was a lot of overtime as there were not enough workers. I did not collect either my salary or my overtime as my parents thought it would be better if the company held on to the money and paid it along with the lump sum. To date I did not get my money. There are many other girls like me who were also saving their monthly salary, leaving it at the mill, so that I

could take home a larger amount at the end.”

Karthika left after 10 months because she could not bear the heat, the work was tedious, and her health poor.

Over half the respondents felt that as workers staying in hostels, they were expected to do more work than day workers, working extra time and cleaning machines on holidays. In some cases, day workers left at the end of their shift, whereas hostel workers worked two hours of overtime. In all cases, overtime was either not accounted for in wages, i.e., no extra wage was paid for the additional time, or was paid at par with wages (i.e., not at an overtime premium). Workers had no record of the overtime they put in, hence were hazy about how much extra money they were due each month.

In one of the mills, workers were encouraged to work on their weekly time off and earn Rs. 100/- for that day.

Accidents and Work-Related Injuries

Workers in at least 3 to 4 units confirmed existence of in-house trainers for workers. Yet emphasis on training was found to be negligible, apart from the initial training period that spanned a week to 2 months. Trainings on safety at the workplace and safe use of equipment were very basic and often not imparted at all. Use of personal protective equipment (PPE) such as aprons, caps, masks and earplugs were mandatory only in two factories; a couple of others insisted on aprons and caps, but not masks or earplugs. A few other companies distributed them during audits, but there was little emphasis on daily use of PPE to protect workers.

Accidents and work related injuries are common, especially in mills. The monotony of repetitive work, high heat, humidity and noise from the machines, insufficient sleep and insomnia due to rotating shifts and exhaustion from working long hours, especially with overtime following working hours, are considered the most likely cause for loss of attention and drowsiness among workers while operating machines. Workers have heard, seen or experienced injuries to neck, arms and fingers and say they are more prone to accidents with newer faster machines.

Among 78 instances of 3 year terms entered into under Sumangali schemes, only 24 completed their full term, 20 are yet to complete their term, while 34 left before completion of their term.

Among the 24 workers who completed their three year terms under Sumangali, eight received their money, and three were due to get it by November 2011. Two workers were denied their money, one because she took leave for 10 days when diagnosed with jaundice after putting in two years and 10 months. Binita was asked to compensate for the 10 days leave with 10 months of work. She worked three years and five months, but left because she couldn't take the harassment anymore.

The second worker got married at the end of three years and three months, before completion of the six month additional timeframe. When she tried to rejoin three months later, the mill management refused to accommodate her, saying they were “no longer interested in employing her.” Her sister, who worked out the entire three years and six months, received the full amount.

Eleven women workers from one particular village were cheated of their lump sum payment at the end of the three year period, when the mill owner claimed paucity of funds. Of the 25 women workers from the village who worked in the mill, 14 got their money, while 11 are still waiting for their payment. The women went to work only for the money, as they needed it to get married. Lack of money owed has affected them. At least one worker had to settle for an alliance with an already married man since they could not afford to pay dowry. Many workers are victims of harassment in their marital homes, as weddings were arranged stating that money would be given as soon as it was received. One of the women workers shuttled to her mother's house every few months when the taunts became unbearable. She has now been thrown out of her marital home since the money has not been received even after 10 years. Others wept as villagers made fun of them when they returned home without the money, saying they went to earn money and came back empty handed.

Reasons for Workers Not Completing Their Term

There were 4 cases of deaths: 2 workers died due to respiratory illnesses, one worker became extremely ill and died after ingesting cotton into lungs/stomach, while another died after an accident at work.

One worker left after a rod pierced her neck and another was summoned home after she mentioned that her 8 roommates were injured one after the other. At least 10 women workers left unable to bear the strain of long hours and lack of sufficient rest, combined with

Reasons for Non-completion of 3-Year Term	Number
Died (accident/illness)	4
Left due to injuries	1
Left due to ill-health	10
Left due to homesickness	2
Summoned back by families (after death of a worker from their village/injuries/illness)	17
Total	34

lack of nutritious food.

Village bonds are strong. Thirteen women workers from one village who worked together pulled out when one worker from the village died and parents came to collect the dead body. Similarly, when one worker went through a period of mental stress, all five workers from the village left the mill together.

Access to Medical

Care and Support

Most large units have nurses on the premises, a doctor who visits at least once a week, and arrangements in place to move workers to a hospital in case of emergencies. Despite this, workers across companies repeatedly referred to being forced to continue working despite being unwell.

Compensation and Support in Case of Death, Disability and Serious Illness

Companies do not seem to be bound by any regulations for compensation to workers in case of accidents leading to death or disability at workplace and illnesses arising from occupational hazards. Among the workers who died, parents of two workers were summoned and the workers were sent home when they were found to be very ill from work-related complications. No medical support was offered for treatment by either company. A worker who was injured when a rod pierced her neck was given initial treatment, but the family had to bear the expenses for all further treatment after she went home.

In the cases of death at workplace from accident or illness, companies were less than prompt in informing families about the incident. In none of the five cases was any proper compensation provided for loss of life or disability.

Work Pressure

Workers in 22 of 28 companies where there were Sumangali workers, rated the work pressure as “high,” and the work “hard, tedious and tiring with the noise of high speed machines continuing to ring in the ears even after work.” This left these young women workers exhausted yet unable to sleep even after leaving the workspace. Yet many did not have the option to leave, bonded to the job for the Rs. 30,000 and their families dependent on their wages.

Details of Injuries at Work, Illness & Death of Workers Under Sumangali Scheme		
DEATH	WORK RELATED ILLNESS	OTHER AILMENTS AT WORK/HOSTEL
Head and vertebrae crushed -1 Respiratory illness -2 Cotton in stomach/lungs -1	Pain in hands and legs Cotton in stomach Cotton in lungs Tuberculosis Asthma Bronchitis Fainting spells Insomnia Severe headaches Ringing in head/ears Drowsiness from insufficient sleep Pimples/boils from high heat and humidity	Anaemia Giddiness Severe weight loss Piles Jaundice Stomach pain Infection in uterus Psychiatric issues Menstrual issues Extreme weakness Malnutrition Diarrhea Vomiting High fever
INJURIES		
Rod pierced neck -1 Injuries to neck, arms, hands, fingers Clothes/hair pulled into machines		

Harassment at the Workplace

Workers in at least 15 companies said they had no instances of supervisors shouting at them. Those who did, listed the reasons mainly as “if the work quantity or quality is not up to the mark,” “requests for time off when they were tired or ill,” to “they were always shouting.”

Some of the specific comments were “Even when we were sick, injured at work, or suffering period pain, supervisors forced us to work.”

Rules in hostels are such that wardens rarely have the authority to sanction leave, even when workers are sick. Workers have to report to work, and it is the supervisor who decides whether the workers are sick enough to go back to the hostel to rest. The harassment spilled over to affect parents too. “If parents came visiting, they were kept waiting for hours, and workers could be met only in the evening.” “Parents bags are checked while visiting and returning.”

A news article in the paper stated that a 21 year old girl died in an accident in a mill in Sultur, without details of the girl's name or the name of the mill. During one of our visits, we met the mother of the girl, who joined that textile mill at 14 and was 17 when she died. Though the parents were told that that Rs. one lakh was released as compensation, only Rs. 60,000 reached them. Either the mill lied to them or the brokers in between took their cut. After the villagers stormed the mill, the gates were closed to the villagers and the girls sent off. The villagers went with a lawyer for compensation, but the management told them it was the workers mistake as she was at the machine without a helmet, though the injuries were at the back of the head, torso and sole of a foot. After that incident, all 13 girls left the mill, and are now awaiting their payment—salary for the month of July and the lump sum payments. Four of the girls have put in over two years and six months, while the girl who died worked two years and three months. The others worked between one month and two years in the company. Whenever girls or parents call regarding payment, personnel at the mill disconnect the calls, so there is some anxiety whether the girls will receive money.

Young women workers in the age group of 12-14 were more open about instances of harassment in terms of shouting and cases of touching while supervisors talked to them. Older workers from the same company tried to pass it off as a one-off case, and that there was no inappropriate conduct of any sort in the factory.

Opportunities for a Long Term Livelihood

It was rare to meet women workers with over 5 years in the industry; many had been offered voluntary retirement packages or golden handshakes and had stopped working. The present lot of workers are almost all day workers with PF and ESI benefits. Young mothers work when there is someone at home to look after the children, wanting to save for educational needs and the future of their children. Transport facility, safety and freedom to go back home each day are the main reasons women prefer to work in mills and garment manufacturing units.

No Sumangali workers or ex-Sumangali workers were found among the older group of day workers; according to them “Sumangali workers rarely take up work after they go back, they are often too ill for full time work.”

One of the young women workers' mother, a widow, was forced to send her to work at one of the mills in Somanur, Coimbatore, through an agent, as the family was in dire straits with the mother sick and no earning member in the family. The young woman worker had completed eighth standard, but could not afford to continue. The amount promised at the mill was Rs. 30,000 after three years, which she got, but not the PF which may be around Rs. 8,000-10,000. As the mother was ill and could not travel, the worker did not leave the mill for three years. She called each week, and many times cried that she was ill and could not cope with the hard work, but her mother implored her to continue, as there was no alternative and they were depending on the Rs. 750 that she could send home each month. She continues to work at the mill, now with a promise of Rs. 50,000/- as the lump sum payment.

Life in Hostels

Accommodation & Food

Accommodation in hostels ranged from one long room with a tin roof that leaks in the rains, to air conditioned hostels with TV rooms that boast of home theatres and music systems. Around 10-12 women workers room together, with women from a village opting to share a room. In some hostels, all 10 workers work in the same shift; in others they are split so there is more space available for each of them. In some hostels, beds are provided, in others workers use mats to sleep on. In one or two cases, two workers share a mat while sleeping. Bathrooms and toilets are usually at the back of the hostel and workers from one room share the use of a bathroom and toilet.

Around 50% of the women workers rated their accommodation as good while the others rated accommodation as average or poor in terms of facilities and cleanliness. One mother on her visit saw “dirty rooms with insects crawling all over.” Drinking water and sanitation were satisfactory in most cases, though insufficient water was a common feature.

Around 50% of the workers rated the food in the hostel as good, in terms of taste, variety and quantity, as well as cleanliness of the kitchen and dining area. The others gave it a poor rating. Variety in food, fresh vegetables and fruits, occasional meat and eggs in the diet were the features that workers looked forward to. Those who termed the fare poor complained of “bad quality foodstuff, no vegetables, no taste, stale food repeated till it was finished, not to their taste, lack of cleanliness, insufficient quantity, etc.”

TV held the position of honour as the chief entertainment for young women workers, followed by dancing to music and playing caroms. Life was “jolly” for workers in hostels, with many friends, no homework, no chores like they had to do at home, and no one to reprimand them.

Contact with Families

None of the factories allowed use of mobile phones by women workers, either in the workplace or in hostels. In one or two hostels, coin phones were installed and workers could call their parents once a week, but the coins were under the control of the warden, so she

always knew when they called. In all but 2 places, parents could call the workers at the hostel; the warden would take the call and then send word for the workers. There was little privacy, but workers could speak on the phones to them. In some companies, only the parents could call, while in a few, other relatives could call, but calls from young males were not to be given to the women workers.

Women workers really missed not having a mobile with them and feel it would be good if they had the freedom to keep in touch with their family at any time.

During the process of joining the factory, parents were informed about the salary date, so they could come to collect the monthly salaries. One company had a visitors’ room with provision for parents to wait for the workers and stay overnight, if needed, with food provided from the hostel, all free of charge. Workers from the same village were allowed to meet the visitors. This facility was greatly appreciated. Other companies just provide a room where parents could wait till the workers completed their shifts, while a few others had no such provision, and parents had to wait outside the gates for hours till the workers were free to see them, often only in the late evenings.

Going Outside the Hostel

All companies had restrictions about movement of women workers outside the hostel. None of the workers could go out on their own, under any circumstances. In three companies, they could go out with their parents provided the parents took responsibility and signed the worker out and then back in, on return. In all cases, parents needed to obtain permission from management to take the women workers out.

In hostels, one company allowed workers from a few rooms to go out each week, in rotation, to the temple and shopping, accompanied by warden, in the company bus; workers usually got their turn once a month. Another did not allow women workers out at all, but ensured that all needs of the workers were available in a shop within its premises. There was a temple on the premises and festivals were celebrated there. Most of the other companies fell in between, with outings once a month to once in 3 months, to cater to workers’ personal needs.

During festivals, when mills closed, a few workers

were taken on sightseeing tours to neighbouring districts. None of the workers were perturbed about their inability to go outside the hostel on their own. They were quite happy about the security provided by the locked gates and the high walls. Deepa's mother (one of the women worker's mother who was interviewed) blamed the mill for not having a security wall around the factory, and lamented that "had it been there, others could not have come in and my daughter could not have eloped."

3.3 Response of Industry Associations

The researchers met with the three industry associations, SIMA, TASMA, and TEA, in September and October, 2011. The meetings were open and positive, and all three associations were willing to partner with others to eradicate exploitative practices and promote the Indian textile industry globally.

1) Southern India Mills' Association (SIMA)

The Southern India Mill's Association (SIMA) officials were very positive about their work in creating awareness amongst their members on best practices with regards to worker's recruitment and other employment practices. They mentioned the Do's and Don'ts developed by SIMA, entitled "Recruitment Guidelines and Code of Discipline for Women Employment in Textile Industry," which they claim to be more stringent than ILO guidelines. SIMA overall is quite satisfied with the apprenticeship scheme in the textiles mills, though they agree that there are instances of things not working out well. They are hopeful that with these recruitment guidelines, SIMA would be able to create awareness amongst its members and be able to help them adopt these guidelines, which will eliminate any practice or chance of exploitation under any apprentice scheme.

SIMA secretary general, Shri K. Selvaraju, in his interview with *Frontline* magazine,²⁶ in October 2007, had clearly suggested that the system of employing apprentices has been very successful. He said, "This [the apprenticeship scheme] has really helped our society. Mill managements are spending on food and hostel facility. Yes, they deduct a nominal amount from the girl's stipend for it. We are also recommending to the mills to give light work during menstruation,

but that may not be possible practically. Maybe at subsidised rates, or for free, they also provide napkins. And these rural girls are weak, underweight, when they come for work. We have studies to show that the girls attain increased haemoglobin levels. They become healthy mothers when they go back and get married." He further elaborated that if any member-mills break any law, SIMA would take action. But on their part, they have issued a list of Dos and Don'ts²⁷ to the member-mills and asked them not to use any unethical means. We are even asking mills to pay the girls proportionately if they leave before the Scheme period ends.

SIMA was very positive about the Sumangali Scheme in the long run. It was highlighted in the meeting that SIMA has successfully developed recruitment guidelines for their member mills, which are promoted by SIMA and, once mills have been able to improve as per these guidelines, a third-party verification system for auditing of such mill has been developed by the German firm, *TUV Rheinland*. "It is misleading to label the Scheme as bonded labour. German-firm TUV Rheinland audits our mills to certify women employment standards," Secretary General K Selvaraju said.²⁸

In the meeting, the positive aspects of the Sumangali Scheme were highlighted by SIMA, specifically mentioning that they wanted to end discrimination against women workers. SIMA fought in court (*Vasantha R vs. Union of India and Others*, 8 December 2000) to bring equality in the workforce and to allow women workers to work at night-shifts, if they so desired. In this particularly case, many of SIMA members especially Sr. V Rama Jagadeesan (Premier mills) were the petitioners along with Vasantha R. to fight for women workers' rights. As a result, the court abolished and declared Section 66(1)(b) of the Factories Act, 1948, as unconstitutional and allowed for women workers to work on third shift as well. The court suggested guidelines to the textile mills for employment of women workers at night shift and suggested that state government come out with guidelines for such work.

2) Tamil Nadu Spinning Mills Association

The Tamil Nadu Spinning Mills Association (TASMA) is relatively new and growing spinning mills association.

It was set up specifically to address issues faced by the Tamil Nadu spinning mills. The researchers met TASMA officials in their office at Dindigul. TASMA briefed the researchers about various initiatives in which they are involved to assist the textile industry and promote ethical business practices.

TASMA has been actively lobbying the government to provide a level-playing field as the textile industry deals with various issues like hike in VAT, diesel fuel price, labour shortages and increase in labour costs. TASMA was engaged with the government in a court case, *Tamil Nadu Spinning Mills Vs. The State of Tamil Nadu on 30th April, 2009*, in response to the government who wanted to fix wages (minimum wage) for textile mills, since no such law exist anywhere in the country (in textile industry).

TASMA recognises the issue of Sumangali needs to be addressed if there are any exploitative practices. For this reason, TASMA developed a Code of Conduct for Hostels. However, the industry association has concerns around the perception by outsiders on hostels. TASMA officials clearly indicated that they understand freedom of association and the workers rights and freedom within hostels. However, they made it clear that discipline cannot be equated with slavery, as depicted in the west. They pointed out that it is Tamil Nadu culture to ensure safety of their daughters and it is the parents that are insisting upon providing full security within hostels for their unmarried daughters and the mills have to ensure that no workers goes out of the hostel without prior permission.

TASMA aims to build capacity of its members with the code of conduct that has been developed. In addition, TASMA is looking forward to engage with other stakeholders to address any aspects that may affect the Tamil Nadu textile industry. It is probably the only association that proactively went out to meet with the local NGOs and trade union, in a meeting organized by the Tirupur People's Forum.

3) Tirupur Exporters' Association

Tirupur Exporters' Association (TEA) is the key association that represents the garment manufacturers and exporters in Tirupur. The association is actively working to safeguard and promote interests of the garment exporters and to promote exports of Indian

garments globally. TEA works closely with leading brands and retailers and focuses on social and environmental compliance aspects in the industry. With reports and media campaigns on Sumangali, TEA has been the most active (as well as affected) since it is directly in touch with the brands as first-tier supplier of garments. TEA has responded to media campaigns and to calls from brands and retailers by initiating a multi-stakeholder initiative, the Tirupur Stakeholder's Forum (TSF).²⁹ TSF was conceived by TEA to bring together all stakeholders in Tirupur to arrive at a mechanism for understanding industrial practices related to working conditions and to work together to find sustainable solutions.

The meeting with TEA representatives touched on issues affecting the industry, the media campaigns, and the issues of workers and their rights. TEA realises that the situation has been rather bad for the industry and a solution to address the issues is needed. As a first move, TEA has engaged with various stakeholders in the textile industry, i.e., brands and retailers, NGOs, trade unions etc., to form a multi-stakeholder initiative and to come up with guidelines for managing hostels by TEA members. Ironically, the western and Indian media campaigns had highlighted suppliers who are mainly garment manufacturers and TEA members, though Sumangali is more prevalently found in the spinning mill sector.

In September 2011, TEA through TSF and other multi-stakeholder consultations developed *Guidance for migrant women workers in hostels and recruitment process—spinning/garmenting factories*. This is a model code of conduct and guidance to the members of TEA. Though the documents suggest Do's and Don'ts to the TEA members, there is no mechanism suggested to monitor progress as per the Guidance. TEA informed the researchers that they are in the process of setting up a Monitoring Committee to guide, implement and monitor the recommendations given in the guidance document to its members.

TEA has also raised the important point that the major initiatives on Sumangali, as well as Indian and Global campaigns, have focused on the knitting and garment manufacturing end, whereas the other participants in the spinning sector have not been effectively brought on board. This, TEA feels, has

affected the action against the Sumangali Scheme and needs to be addressed. For this purpose, they are in favour of Joint Action with all stakeholders.

The current thinking and approach of TEA has changed drastically recently. Earlier, TEA president, Mr. A Sakthivel has said in his interview to *Frontline*³⁰ that *“none of the spinning mills, run by exporters, have introduced a Sumangali Scheme. No spinning mill runs with 100% capacity these days because of labour shortage. The Sumangali Scheme is no longer attractive. Now people want higher wages and they like to take up jobs other than work in a spinning mill. In fact, people are ready to work in garment factories. We don’t have a Sumangali Scheme in our factories. We provide regular wages.”* However, now TEA has realized that the Sumangali Scheme is found in the textile and garment manufacturing industries in Tamil Nadu and there needs to be a joint action with all key stakeholders (garment manufacturers, spinning mills, brands and retailers, NGOs, trade unions etc.) to understand the extent of the problem and find ways to eliminate any exploitative practices.

3.4 Response from Brands and Retailers

The reports on Sumangali by ASI, SOMO/ICN and others have highlighted exploitative practices in the Indian textile and garment industry. These reports named some of the leading global brands and retailers, including Marks & Spencer, Primark, Mothercare, Next plc, Carrefour, S.Oliver, GAP, Kiabi, H&M, C&A, Tommy Hilfiger, Jack & Jones, Decathlon, Bestseller, Diesel, Lindex, Tescom Ted Baker, amongst many others.

These reports and media campaign have alleged and highlighted exploitation within the supply chains of these brands. As a result, there has been lot of activity on the part of the brands and retailers to understand the Sumangali Scheme, the extent to which it was present in their supply chain, and how to address it. Many of the brands have come together to develop joint actions³¹ against exploitative practices. Individually too, brands and retailers have accepted that there are exploitative practices and actions that need to be addressed. For example, H&M;³² Ted Baker³³ and many others have developed clear intent and plans of action to address it and are now working in their supply chains and with other brands and

retailers to develop joint plans of action.

The brands and retailers have information about their first-tier suppliers (cut, make and trim units). They are making efforts to understand the supply chain linkages in these suppliers to see if there are any practices which may amount to a Sumangali Scheme.³⁴ In addition, these brands and retailers are also going beyond their first-tier suppliers and identifying the linkages in the mills.³⁵

The research team from Solidaridad has been in touch with brands and retailers in India and abroad. At the beginning of this research study, Solidaridad had developed a presentation (based on preliminary finding of the research), which was presented by FLA in its stakeholder meeting in October 2011 at the University of Notre Dame.³⁶ The brands and retailers present at the meeting found the study to be very useful and informative, and agreed with the preliminary findings. Since then, the Solidaridad team in India has been in touch with these brands to understand their practices and response to the research. Solidaridad and FLA jointly were invited to share preliminary research findings with brands and retailers in India and made a presentation at one of the meetings of the Brands Ethical Working Group on November 30, 2011 at New Delhi.³⁷

4. The Way Forward

4.1 Introduction

In the past year several organisations have taken quick action, bringing a range of stakeholders together and initiating activities aiming at abolishing malpractices in the Tamil Nadu textile sector. This chapter describes the different initiatives taken as well as our recommendations on further action to address the topic.

With findings of our research and meeting with various stakeholders in Tamil Nadu textile and garment industry, we are of the view that any action to eradicate the Sumangali Scheme or other exploitative practices in the industry need to have a wide reach and not focus on a specific sub-segments. If the campaign focuses only on certain stakeholders in the industry, whereas, others are not included in the joint action; the desired results would not be achieved. Hence, it would

be better if the overall approach to tackle this problem is evaluated and desired changes are incorporated to make it more effective.

4.2 Brief Overview of Other Stakeholder and Multi-stakeholder Initiatives

The research from SOMO/ICN led stakeholders to take notice of the Sumangali Scheme and discuss ways to address the issues it raised. Since then, there have been a lot of activities on the part of the various stakeholders and multi-stakeholder initiatives, with members actively sourcing in the Indian textile and garment industry. The following are the major stakeholders/multi-stakeholder initiatives and their respective activities.

Tirupur Stakeholders Forum³⁸

Tirupur Stakeholder Forum (TSF) is a multi-stakeholder initiative for collective dialogue and action, conceived and initiated by the Tirupur Exporters' Association (TEA) in September 2010. The primary objectives of this forum is to openly and collectively address broad, industry-level issues and challenges pertaining to the workforce and working conditions in the apparel export sector of Tirupur, and thereby find and implement sustainable solutions for resolving the same and to support for the sustainable growth of the industry. TSF is comprised of four major stakeholder groups: the Tirupur Knitwear Industry (represented by TEA), international clothing and fashion brands and retailers sourcing their merchandise from Tirupur (represented by the Brands' Ethics Working Group or BEWG), 7 trade unions and 4 non-governmental organizations active in the Tirupur region. TSF has been focused on the issue of Sumangali since its inception. There were lots of discussion and sharing of information within the group members. The TSF came out with Guidelines for TEA members to work effectively with migrant women workers in September 2011. Now TSF is in process of setting up a monitoring committee to guide, implement and monitor the recommendations given in the guidance to its members.

Business Social Compliance Initiative³⁹

BSCI makes it clear that there is not just one way of implementing the Sumangali Scheme. In some factories, workers are treated well under the general

Sumangali approach, while not in others. The Scheme is also closely linked with local culture, and since there are many different forms, making a general statement about the practice is difficult. However, it recognises that the Sumangali Scheme in all its different forms can link to various elements of the BSCI Code of Conduct, such as working hours, prohibition of child labour and forced labour, payment of legal minimum wage and/or industry standards. BSCI has put the topic of Sumangali on the agenda of its most recent Round Table on Social Compliance in India, which took place on 18 January 2011. Local experts representing various stakeholder groups discussed the some of the causal factors such as the cultural, social and economic context, buying practices, weak enforcement of regulation and complex non-transparent supply chains. Meeting participants agreed that joint multi-stakeholder cooperation is needed to address this issue, and as a first step it needs improved cooperation between brands and regulatory authorities in the country. Going forward, BSCI has plans to inform auditing companies about these issues. It also plans to organize a local Round Table in Tamil Nadu region to further discuss the challenges associated with Sumangali. It is open and keen to join other relevant international initiatives to address this issue.

Fair Wear Foundation⁴⁰

Fair Wear Foundation (FWF) has been aware of the Sumangali Scheme since 2007 and has been supporting its partners since then to eliminate such practices.⁴¹ FWF acknowledges that most instances of Sumangali and other forms of forced labour take place in the textile mills rather than at the CMT stage, where FWF has its primary focus. FWF is working closely with international organisations such as SOMO, ICN, ASI and ETI. Locally, it is engaged actively with SAVE (Social Awareness and Voluntary Education), Center for Education and Communication (CEC) and trade unions like HMS (Hind Mazdoor Sabha). FWF organized a stakeholder consultation in India in October 2010. In addition, FWF is working with its members, who are sourcing from Southern India.⁴²

Ethical Trade Initiative

The Ethical Trade Initiative has conducted many meetings with its members, following the

research reports from SOMO/ASI. Since then, ETI has proactively taken up these issues amongst its members and has set up a dynamic group, Sumangali/Bonded Labour Group (SBLG) to actively look into these aspects and take appropriate action. At this moment, ETI is working on Stakeholder Engagement in Tamil Nadu. This work of ETI is being done in collaboration with FLA in India and a local consultant, Vinita Singh, is assisting ETI in this process. Supply chain mapping is also being done at an extensive scale by ETI under this initiative. A local multi-stakeholder event is being organized in Tamil Nadu on March 29th, by ETI and FLA.

Social Accountability International⁴³

Social Accountability International (SAI) and Social Accountability Accreditation Services (SAAS) denounce the use of the Sumangali Scheme, encourage companies to use SA8000 standard to continually improve and verify compliance with international labour standards. SAI acknowledges the role of global stakeholders in eliminating such practices and promises to continue to support initiatives that target the root causes of the Sumangali Scheme. SAI suggest SA8000 as one part of the solution to address the issue of Sumangali which continues, particularly at spinning mills and upstream in supply chains, but also at some large facilities. SAI has also included key aspects of Sumangali in its guidance supplement, which is the audit guideline for the textile industry in Tamil Nadu, to be followed by social auditors.⁴⁴

Tirupur People's Forum

The Tirupur People's Forum for Protection of Environment and Labour rights (TPF) emerged as a response to the growing labour rights violation specially the exploitation of the migration workers, women workers and the child labour in the Tirupur garment and textile industries and in response to the continued eroding of the environment due to the industrial and other pollutants of Tirupur. The forum was formed in 2006 and is constituted with the consensus of the organizations that are involved in promotion and protection of workers' rights, child rights and protection of environment rights in Tirupur as well as from the sourcing areas/districts. The forum has conducted an investigative study on Sumangali, hostel and camp labour schemes for young women workers in

the Tirupur garment industry. A book, entitled *Women Workers in a Cage*,⁴⁵ was published in June 2007 based on this study. Further to that, TPS has been organizing various multi-stakeholder meetings to discuss and find solutions to the problem of Sumangali while working with all key stakeholders.⁴⁶

Tirupur Steering Group

In 2004, Solidaridad, the Netherlands-based NGO, having its focus on bringing industry and social action on a single platform to address business and human-related issues, initiated a study of the Tirupur garment industry through its local partner, Partners in Change (PiC), the outcome of which was a substantial publication titled, *Knitted Together*.⁴⁷ The publication raised a host of serious intertwining issues and made a set of recommendations, one of which was the need for a unified working group composed of all stakeholders in the garment industry to evolve a mechanism to audit the social practices of manufacturers several consultations among political parties, trade unions, NGOs, suppliers, manufacturers and buyers to arrive at a consensus for social audit. That consensus was reached in October 2006 and the Tirupur Steering Group (TSG) was given shape to on 19 November 2006.

The TSG comprised of 4 trade unions, including the Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha (HMS), Labour Progressive Federation (LPF) and Anna Thozhirsanga Peravai (ATP), and 4 NGOs including SAVE, CSED, CARE-T, and Prakruthi. The TSG has been taking up various issues in Tirupur cluster through its member trade unions and NGOs. It has been especially focusing on certified units, by creating a mechanism of effective pre- and post-audit consultations. For this reason, TSG has been actively working with various multi-stakeholder initiatives i.e. SA8000, FWF, TPF, etc. on critical issues like Sumangali, and has been given special mention by Social Accountability International, to its certified auditors while conducting SA8000 audits in Tirupur.

5. Wages: Effects of Raising Minimum Wage for Apprentices

The case in the court of Honorable Justice V Ramasubramanin, in the Madras High Court, is crucial

to understand the changes that are important for all stakeholders in ensuring minimum wages for workers.

In this particular case, ***Tamil Nadu Spinning Mills ... vs The State Of Tamil Nadu on 30 April, 2009***, the court gave final notification⁴⁸ which was published in the *Government Gazette* and it advised the following:

1. *The Governor of Tamil Nadu hereby fixes the minimum rate of wages payable to the apprentices engaged in the Employment in Textile Mills, including Composite Mills, Spinning Mills, Weaving Mills, Open Ended Mills.....in the State of Tamil Nadu, as Rs.110 per day,*
2. *In addition to the minimum rate of wages fixed above, the apprentices shall be paid dearness allowance*
3. *Where the nature of work is the same, no distinction in the payment of wages shall be made as between men and women apprentices.*
4. *To arrive at monthly wages, the daily wages shall be multiplied by 30.*
5. *Wherever the existing wages are higher than the minimum wages fixed herein, the same shall be continued to be paid.*
6. *This Notification shall come into force with effect on and from the date of publication in the Tamil Nadu Government Gazette Extraordinary, dated the 7th November 2008.*

As per this notification, the spinning mills association has communicated the following minimum wage to their members:

As per this notification and the minimum wage, a worker would need to be paid, at least, a minimum wage between Rs. 4000 to Rs. 5500 (US\$ 82 to US\$ 113) per month and Rs. 48,000 to Rs. 66,000 (US\$ 979 to US\$ 1346) per annum. With this calculation, any lump sum payment promise by textile mills and/or garment manufacturing units, to be lesser than this would amount to a violation of the minimum wages act.

There have been various efforts to challenge the notification of the State of Tamil Nadu fixing minimum wages for apprentices, the most important being the case of ***Southern India Mills Vs. The State of Tamil Nadu on 11 December 2009***,⁴⁹ however, the court has rejected these claims and has upheld the notification that came into force on November 7, 2008.

Hence, the current rates as promised by brokers for a 3-year contract are surely amounting to violation of minimum wages act. The following are some examples

Minimum Wage	Dearness Allowance	TOTAL
Rs. 110 Per Day (US\$ 2.24)	Rs. 74.06 Per Day (US\$ 1.5)	Rs. 184.06 Per Day (US\$ 3.8)

of the employment types and rates that are being quoted for workers under Sumangali or Sumangali-like Schemes.

- Casual Employment
- 1-Year Schemes
- 3-Year Schemes

For Casual Employment Type

For 3-Year Schemes:

Rs. 15,000 ex gratia + PF when term is over

For 3-Year Schemes:

Rs. 40,00 lump sum + Rs. 32,000 PF when term is over
OR

Rs. 65,000 lump sum + Rs. 10,000 PF when term is over

6. Comparative Analysis of Hostel Guidelines by Three Associations—SIMA, TASMA and TEA (TSF)

Based on the findings of our research and meetings with various stakeholders in the Tamil Nadu textile and garment industry, we are of the view that any action to eliminate the Sumangali Scheme or other exploitative practices in the industry need to focus on overall consumption patterns and supply chain linkages. If the campaign focuses only on certain stakeholders in

Experience	Salary
0–3 Months	Rs 110-120 Per Day
4–6 Months	Rs 125-135 Per Day
>7 Months	Rs 140-150 Per Day

the industry, whereas others are not included in the joint action, the desired results would not be achieved. Hence, it would be preferable if the overall approach to tackle this problem is evaluated and desired changes are incorporated to make it more effective.

In this regard, it is a positive sign that all the three

key sectoral associations (i.e., SIMA, TASMA and TEA, under the banner of TSF) have now come up with guidelines on recruitment and selection of women workers in the textile and garment industry, as well as a code of conduct for hostels, as follows:

In what follows, we analyse the three Guidelines/Code of Conduct to understand their components and to assess how effective these guidelines might be to deal with issues of Sumangali and other similar Schemes.

The analysis of the three Guidelines/Codes of Conduct by the three leading associations suggests that while there are positive aspects in each, however, none of them cover all desired aspects. Some key points of comparative analysis are:

- The guidance document by TSF was designed after multi-stakeholder discussions, whereas the other two (SIMA, TASMA) did not undergo

such a process. It would be good to have all these guidelines developed after consultation with key

The Southern India Mills Association (SIMA)	Recruitment Standards and Code of Discipline while engaging women employees in hostel system
Tamil Nadu Spinning Mills Association (TASMA)	Code of Conduct as far as Hostels are concerned
Tirupur Stakeholders Forum (initiated by Tirupur Exporters' Association)	Guidance for migrant women workers in hostel & the recruitment process—spinning/garmenting factories

stakeholders.

- The guidelines by SIMA were developed with support from *TUV Rheinland*, a certification agency. They now do the certification/auditing of mills who adopt these guidelines. As of now

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Comparative Aspects	SIMA	TASMA*	TEA (TSF)
Development Process of the Guidance	Independent	Independent	Multi-stakeholder
Monitoring Mechanism of the Guidance	Verification (audit) by TUV-Rheinland	Not specified	Yet to be developed
To Be Used by Whom?	Not specified (understood to be used by its members—all spinning mills)	Not specified (understood to be used by its members—all spinning mills)	<ul style="list-style-type: none"> • Garment exporting units having mills & garmenting unit with hostel • Stand-alone spinning mills having hostel (exporters owned) • Garment units with hostel
Recruitment/Selection Process	Detailed process. Specified following key aspects: <ul style="list-style-type: none"> • Should be written policy • No discrimination • Age at recruitment • Age proof • Medical tests • Preferred height/weight • Tests: <ul style="list-style-type: none"> -Twohand coordination -Colour-blindness -Finger dexterity -Vision & hearing 	Only on written application <ul style="list-style-type: none"> • By person or duly endorsed by parents • Rules and regulations to be communicated • Application process only specifies: <ul style="list-style-type: none"> -Name -Address -Photo—self + authorised relative -Undertaking to abide by Rules 	Detailed process. Specified following key aspects: <ul style="list-style-type: none"> • No such Scheme as 'Sumangali' • Legal age with age proof • Selection on the basis of qualification, work experience and performance • Equal opportunities • Tenure as per law. • Appointment letter
Manual for Induction and Training	Required	Not specified	Not specified

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Comparative Aspects	SIMA	TASMA*	TEA (TSF)
Induction of workers	Separate guidance on Induction of workers specified, as following: <ul style="list-style-type: none"> • Period (1 week) • Objectives • Statutory/non-statutory benefits • Explaining working hours, leave, stipend, payment system, job profile etc. • Hostel rules & regulations 	No separate guidance for induction of new workers specified	No separate guidance for induction of new workers specified
Training of workers	Detailed guidance: <ul style="list-style-type: none"> • Training as per job • Training hall • Training/HR officer • Safety aspects • Personality development programme 	Not specified	Detailed guidance: <ul style="list-style-type: none"> • General/specific induction • On the job training • Health & safety aspects • Training on worker benefits/ rights & responsibilities • Other, as appropriate • Awareness on policies & procedures, such as: <ul style="list-style-type: none"> -Disciplinary practices -Harassment (sexual) -Zero tolerance for abuse -Freedom of association -Other policies • Training to all workers (migrants plus local) • Free of charge • During working hours only
Wages	<ul style="list-style-type: none"> • Wage slip as per Payment of Wages Act, 1936 • Only authorised deduction under Minimum Wages Act, 1948 is permissible 	<ul style="list-style-type: none"> • No overtime work except on exceptional circumstances 	<ul style="list-style-type: none"> • Wages & associated benefits in compliance with applicable laws • Individual pay slips with all relevant details (specified) • No deductions, except for legally mandated e.g. PF, ESI etc. • Recommendation to have bank accounts for credit of salary
Legal Compliance	Detailed guidance: <ul style="list-style-type: none"> • In case of adolescent workers, certificate of fitness from certifying surgeon attached with Factory inspectorate • Working hours—8 hrs per day, not to exceed 48 hrs in a week • 1 day weekly holiday • Leave with wages as per Section 79, of Factories Act • Number of urinal and latrines for women as per law • Personal protective equipments (Rule 61 'O') • Safety committee • Rest room • Creche (as per law) • National and festival holidays • PF, ESI and bonus • Provide appropriate working conditions in respect of work, leisure, health and hygiene • Complaint committee headed by a women • Complaint mechanism in factory and time bound treatment of complaints • No sexual harassment • Appropriate medical facilities • Separate canteen and transportation facility • Follow guidelines by Honorable Justice E Padmanabhan in judgement dated 8.12.2000 	<ul style="list-style-type: none"> • Approval under Tamil Nadu Public Buildings (Licensing) Act, 1965 from Revenue Divisional Officers • 8 hour work, 8 hour rest and 8 hour leisure time 	Detailed guidance: <ul style="list-style-type: none"> • Legally mandated working hours • Not compelled to work overtime hours • Female supervisors during any running

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Comparative Aspects	SIMA	TASMA*	TEA (TSF)
Hostel—General Guidelines	<ul style="list-style-type: none"> • Not mandatory, optional 	<ul style="list-style-type: none"> • Suitable counselling services to be made available, as hostellers may be coming from different places, with different cultural aspects and may feel home-sick. • Each hostel to be attached with nearest hospital • Male doctors for male inmates, and female doctor for female inmates • General medical examination periodically • Visitor rooms facility • Hostel: separate from mills' premises and separate exit and entry gates • If hostel at long distance, transportation facilities • Appointment of wardens, sub-wardens and nursing staff 	<p>Detailed guidance:</p> <ul style="list-style-type: none"> • Ensure necessary amenities for its resident • Management by the factory or leased out, but with due control and ensuring all legal requirements • Workers not compelled to stay, should be optional • No discrimination • Written copy of Rules and Regulations
Hostel—Buildings, Transport and Security	<ul style="list-style-type: none"> • Area per women employee—20-35 sq. ft. • Preferred number per room—18 to 24 • Sufficient lighting, windows and ventilation • Provide items for personal support (mat, pillow, individual cupboard with lock) 	<ul style="list-style-type: none"> • Well ventilated • Wall fans, not ceiling fans (gives access for person to commit suicide by hanging) • Provide items for personal support (mat, pillow, individual cupboard with lock) • Kit at periodical intervals containing personal use items. Sanitary napkins for female inmates. 	<ul style="list-style-type: none"> • Area per women employee—20-35 sq. ft. • Preferred number per room—18 to 24 • Sufficient lighting, windows and ventilation • Provide items for personal support (mat, pillow, individual cupboard with lock) • Female security to be employed • Transportation to go to banks, shopping, outing etc. • Fire alarms, fire extinguishers, and training to workers
Hostel—Freedom of Movements/ Communication	Not specified separately	<ul style="list-style-type: none"> • Suitable telephone can be provided at convenience places • Call hours to be fixed in consultation with workers 	<ul style="list-style-type: none"> • Separate and free access to enhance movement • Respect rights of have parents/family member as visitors. • Communication facilities—pay phones, mobile phones
Hostel—Monitoring Committee	Not specified separately	<ul style="list-style-type: none"> • Separate Grievance redress committee with representatives of hostel • Periodic meetings • Equal representation from management and workers • Separate committees for affairs of the mill and for grievance redressal 	<ul style="list-style-type: none"> • Constitute a committee: hostel head, factory representative, 5 hostel residents (duly elected), 1 female doctor and 1 NGO representative • Meeting of committee once a month • Committee free from influence from factory management

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Comparative Aspects	SIMA	TASMA*	TEA (TSF)
Hostel—Food	<ul style="list-style-type: none"> • Committee to be constituted • Meeting once a month and yearly change in committee • Food to be nutritious, quality, hygiene and sufficient in all three meals • Drinking water: clean, aqua guard/RO • Clean utensils • Proper ventilation • Medical check up of all canteen personnel once in 6 months • Dress code for canteen personnel 	<ul style="list-style-type: none"> • Drinking water: clean and RO supplied • Clean utensils • Proper ventilation • Medical check up of all canteen personnel, periodically • Dress code for canteen personnel 	<ul style="list-style-type: none"> • Committee to be constituted to monitor food quality and set the menu • Food to be nutritious, quality, hygiene and sufficient in all three meals • Drinking water: clean, aqua guard/RO • Clean utensils • Proper ventilation • Medical check up of all canteen personnel once in 6 months • Dress code for canteen personnel
Hostel—Washing and Cleaning	Detailed specifications in terms of <ul style="list-style-type: none"> • Number of bathrooms • Size of bathrooms • Waste bin • Cloth washing facility • Wet cloth drying facility • Waste disposal system • Drainage system 	<ul style="list-style-type: none"> • Sufficient number of toilets, bath rooms 	Detailed specifications in terms of <ul style="list-style-type: none"> • Number of bathrooms • Size of bathrooms • Waste bin • Cloth washing facility • Wet cloth drying facility • Waste disposal system • Drainage system
Hostel—Welfare/ Entertainment Facilities	Detailed specifications <ul style="list-style-type: none"> • Provision for TV • Indoor / outdoor games • Classes for yoga, tailoring, art & craft, computer • Picnic • Distance education facility • Library • Self development and motivational programmes • Others 	<ul style="list-style-type: none"> • Common TV Room • Distance education • Indoor/outdoor games • Magazines/ newspapers at reading rooms 	Detailed specifications <ul style="list-style-type: none"> • Provision for TV • Indoor / outdoor games • Classes for yoga, tailoring, art & craft, computer • Picnic • Distance education facility • Library • Self development and motivational programmes • Others

*The TASMA Code of Conduct concerns only hostels and not recruitment and selection aspects.

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- the number is small (unknown but surely fewer than 10). We see as a conflict of interest involving a certification agency that has also helped in developing the guidelines. It would be ideal, if this auditing/certification process was open to other certification bodies and other key stakeholders like NGOs, trade unions, brands and retailers, etc.
- None of the Guidelines/Code of Conduct mentions any monitoring mechanism. Though the TSF website mentions that they are in process of setting up a monitoring committee, no time frame has been suggested. Without any monitoring, it is difficult to assess the impact and feasibility of the guidelines.
 - All three guidelines touch upon key aspects,

like wages and overtime; however, none are comprehensive and deal with all issues. All have some good points, while have missed some point too.

- In terms of general guidelines, SIMA guidelines are very exhaustive, closely followed by TSF guidelines. The TASMA guidelines need improvements in this regard, since the focus of the guidelines is purely on hostels.
- There is a good point about freedom of movements and communication in the TSF guidelines, which allows for use of mobile phone by the workers. SIMA is silent on this point, whereas TASMA prefers to have telephones located at convenience places with call hours fixed.
- In TASMA's guidelines, there is mention of suicides at 2 to 3 different places, which is strange to see

in such guidelines. As an industry which cares for its workers and is transparent, there should not be any need for guidelines focusing on suicide issues. The atmosphere should be such that no untoward incident would happen to lead a worker to consider suicide.

- The TASMA guidelines mention having counsellors within the hostels, which is a good step. Considering that workers belong to different cultures and stay away from their families for a long time, there may be instances when they feel home-sick, alone or stressed. In these situations it would be good to have somebody to listen to them and counsel them.
- TASMA calls for two different committees: one for management of hostels and another for grievance redress. SIMA and TSF only talk about Monitoring Committee. It might be good to have a separate grievance redress committee with representation of all key stakeholders.

7. Recommendations

We make the following recommendations for wider consultations and joint action by all key stakeholders, especially and including spinning mills, garment manufacturers, domestic market players, international brands and retailers, government, NGOs, trade unions and other civil society organizations. We believe that following the recommendations would contribute to the sector developing a holistic action plan to improve its practices and eliminate the exploitative practices detailed in this report:

1. Involving stakeholders of the overall supply

chain: There needs to more clarity with regard to data and the key players in the supply chain of the Tamil Nadu textile industry. This is important to ensure that everyone is on board and agree on the tasks each stakeholder is responsible for to improve working conditions. Otherwise, the focus may only be on garment manufacturing units and sourcing brands and retailers, which is certainly relevant, but insufficient to reach all employees affected by such schemes. If malpractices continue to exist in segments of the textile sector not

addressed, it is not only highly undesirable from the perspective of the affected employees, but it also forms a risk to the industry potentially leading to reduced orders and employment.

2. Understanding brands and retailers' access, influence and limitations in garment supply

chain: This is a crucial aspect to understand and reflect upon. The recent media campaigns and various research reports have highlighted brands and retailers that are said to be sourcing from suppliers having Sumangali scheme. In such news stories, the focus has been on integrated garment manufacturing units. This has been an effective approach to raise awareness among all stakeholders on existing labour law violations. However, it also needs to be understood that brands and retailers have access and good relationships with first-tier suppliers. Although an overall movement towards supply chain transparency and traceability has started to emerge, the sphere of influence of brands and retailers is generally still limited when it comes to 2nd and 3rd tier suppliers. Since the schemes are particularly employed in spinning mills where brands and retailers may not have any access and influence, measures need to be taken to focus on a development approach striving towards improvement of the situation of the workers.

3. **Let's get everybody on board:** The issues, as highlighted, affect a wide range of stakeholders in the textile industry; hence, each stakeholder category needs to be part of consultations to identify solutions to the problem of the Sumangali Scheme to ensure that effective solutions are found and implemented to positively affect the industry and workers. The role of government agencies, spinning mills and domestic players is very important and need to be clearly identified.

4. Develop trustworthy and meaningful

partnerships: The global and national approach until now has partly been of confrontation. There is no doubt that this has been instrumental in putting the topic on the agenda nationally as

well as internationally. However, coming to a long-term sustainable solution requires mutual respect, understanding, partnerships and joint collaboration to find possible solutions and comprehensive actions. Confrontation would lead to negative publicity which will ultimately lead to less business for the industry and thereby lower employment opportunities and higher unemployment.

5. **Sumangali—one issue, one sector, one code:**

The three leading industry associations, TEA, SIMA and TASMA, each has a code of conduct/guidelines on Sumangali. As there are clear aspects that need to be improved in the sector, it would be useful to have a single Code of Conduct or Guideline for the South Indian textile industry. A single code would be easy to develop (or benchmark) and will be easier to follow by industry constituents. For brands and retailers it will be easy to implement in their supply chains and monitor. For civil society organizations, it would be easier to see progress and discuss various aspects of the code for the industry as a whole.

6. **Identify examples of better practices:** The studies have highlighted practices that are exploitative, bad in nature, and need to be corrected. In addition, we also need to identify sectoral practices that are good, promote worker welfare as well as productivity in the industry, and help in worker retention. These need to be identified at the sectoral level and we need to better understand how others who might be involved in the Sumangali scheme could improve their working conditions.

7. **Documenting and sharing these practices:**

Solutions to issues and better practices need not only to be identified but also to be shared with all stakeholders. This requires information sharing, documentation as well as capacity building of the industry to make these practices common practices. Case studies need to be developed and shared at wider scale to promote good practices within industry stakeholders and also to

promote good practices among a wider group of stakeholders, nationally as well as internationally.

8. **Support and strengthen government**

machinery: The government is responsible for ensuring that laws and legal regulations are being implemented in the textile industry. If there are any malpractices, the government needs to be aware of them and address these issues. For this purpose, regular avenues for dialogue with responsible government officials and departments need to be worked out. The best way to address any practices that are violating the law is to bring them to the attention of Government and urge Government action.

9. **Create awareness amongst communities:**

There are various issues, e.g., poverty, gender, young age, absence of skills, social evils like dowry, lack of employment opportunities and lack of knowledge of worker rights contributing to the Sumangali Scheme. Awareness amongst community members and employees in the spinning industry needs to be created within communities so that they are less vulnerable to exploitation and are aware of their legal and labour rights. This is in the interest of all the stakeholders.

10. **Grievance redressal mechanism:**

As of now, there is no mechanism for addressing grievances of workers and parents, apart from legal means, which may or may not give desired results. However, since the issues related to the Sumangali Scheme have created a wide awareness and willingness to improve working conditions in the South Indian textile industry, it might be a good opportunity to discuss and develop a grievance mechanism, backed by multi-stakeholders. This mechanism could be effectively used to minimise conflicts within the sector and also to build confidence about Indian garment industry, nationally and globally. This would give confidence to workers and their parents, civil society organizations, brands and retailers as well as other industry stakeholders.

11. **Measureable outcomes:** There are many initiatives taking place with the aim of eliminating Sumangali and other exploitative practices. It would be useful for the sector to have measureable performance targets of improvement in working and living conditions in most marginalised sections in the fashion supply chain. Otherwise we risk too many initiatives, with too little achieved and too few benefits for those who need it most.

8. Conclusion

This research identifies and confirms a range of labour law violations in the Tamil Nadu textile industry, who are contracted according to Sumangali or similar employment schemes. The sector has responded to these malpractices, by creating a range of initiatives. We believe that these can and need to be further strengthened, to successfully address exploitative practices underlying these employment schemes. It is important to create dialogue and understanding in the spinning mill sector on what the key issues are, why they are considered malpractices and how they are in breach of local legislation. But also it is important to outline examples of good practice; how to attract employees; and how to motivate workers to continue their employment for a longer period of time, in a way that is in line with local legislation and brings benefits to employer and employee.

We need to find ways to effectively address any aspect of the Sumangali Scheme that are found to be violations of laws, as highlighted by this research and research by others.

Addressing these violations in especially spinning mills and garment manufacturing units, is key to improve the situation for the workers in this industry. Particularly when realising that the sector plays a strategic and important role in providing employment and income generating opportunities for a large number of people who otherwise may not have meaningful employment opportunities.

Media campaigns and research studies have highlighted widespread exploitation, which is true to an extent, and has been instrumental in bringing attention



Neelavathi, the mother of Kavitha, who died in Sullur in July 2011.

to this issue. However, now there needs to be a multi-faceted and multi-stakeholder approach to address these highlighted practices. Campaigns or reports accusing brands and retailers, without understanding the overall supply chain linkages and role that brands and retailers can play, will not solve the problem and will only jeopardize the economy of this sector.

We need to find mutual solutions, build trust-worthy partnership and implement sustainable strategies that will contribute to the welfare of workers and improve business conditions and the image of the sector globally.

FOOTNOTES

- ¹Appelbaum and Gereffi, 1994. Reproduced in Gereffi and Memedovic, *The Global Apparel Value Chain: What Prospects for Upgrading by Developing Countries*, UNIDO, 2003.
- ²“Wedded’ to a life of exploitation,” *The Hindu*, National/Tamil Nadu, March 4, 2011.
- ³“Driven to despair,” Cover story, *Frontline*, Volume 27 – Issue 20, September 25–October 8, 2010.
- ⁴“Wound on a spindle,” *Outlook*, National, June 23, 2008.
- ⁵“Textile mills take girls for a ride,” *Deccan Herald*, Chennai. October 2010.
- ⁶*Slavery on the High Street: Forced Labour in the Manufacture of Garments for International Brands*, Anti Slavery International, December 2011.
- ⁷*Trapped in Chains: Exploitative Working Conditions in European Fashion Retailers’ Supply Chain*, European Coalition for Corporate Justice, November 2010.
- ⁸*Eliminating Forced Labour in South India: Statement on Sumangali Scheme*, Fair Wear Foundation, May 2011.
- ⁹*Captured by Cotton: Exploited Dalit Girls Produce Garment in India for European and US Markets*, SOMO and ICN, May 2011.
- ¹⁰*Indiaas uitbuitingswerk in westerse kledingzaken* (Indian exploitation work in western clothing stores), De Volkskrant (<http://www.volkskrant.nl>), May 20, 2011.
- ¹¹“Dalit girls exploited in supply chain of high street retailers,” <http://www.dfn.org.uk/news/news/174-sumangali-exploitation.html>, Dalit Freedom Network Website.
- ¹²ETI facilitated discussion amongst its members and has set up an internal group to develop a 3-year plan of action.
- ¹³A coalition of brands/retailers that are sourcing from India.
- ¹⁴*Guidance on Sumangali*, Business Social Compliance Initiative, An Initiative of the Foreign Trade Association (FTA), April 2011.
- ¹⁵Trade Unions include: Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha (HMS), Labour Progressive Federation (LPF) and Anna Thozhirsanga Peravai (ATP). NGOs include: SAVE, CSED, CARE-T, and Prakruthi.
- ¹⁶Tamil Nadu Spinning Mills Association vs. The State of Tamil Nadu, The Hon’ble Mr. Justice V. Ramasubramanian, Madras High Court, 30th April 2009.
- ¹⁷Source of garment value chain diagram: www.fibre2fashion.com.
- ¹⁸Based on discussion with three industry associations and other key stakeholders of textile and garment industry in Tamil Nadu.
- ¹⁹Tirupur People’s Forum for Protection of Environment and Labour Rights (TPF) was formed in 2006. It emerged as a group of local NGOs and trade unions in response to continued eroding of the environment due to industrial pollutants and due to exploitation of workers in the textile and garment industry.
- ²⁰The Campaign Against Sumangali Scheme (CASS) is a coalition of civil society organizations in India that work together to raise awareness about the Sumangali Scheme and advocates an end to this system of exploitation.
- ²¹ETI developed a joint statement of intent from its member companies. It also set up a special group to develop joint action plan for 3 years to address this issue.
- ²²Statement of intent in response to SOMO/ICN report, signed by: ASOS, Bestseller, C&A, Grupo Cortefiel, H&M, Mothercare, Next, Primark and Tesco.
- ²³Based on discussions with NGOs in the field and mill workers on where other workers in their mills come from.
- ²⁴Discussion with Director, AHM Trust, on the reason for large numbers of women as day workers.
- ²⁵Discussion with Mr. Rajagopal, Executive Director, NEEDs, Virudhunagar, and his staff.
- ²⁶“A Successful Scheme’—Interview with K. Selvaraju, Secretary General, SIMA,” *Frontline*, Volume 24—Issues 20, October 6–19, 2007.
- ²⁷Recruitment Guidelines and Code of Discipline for Women Employment in Textile Industry, The Southern India Mills’ Association, Coimbatore.
- ²⁸GAP, Walmart, C&A, H&M arm their Indian suppliers against textile mills that involve child & bonded labour; The Economic Times, ET Bureau; 16 November 2011 (<http://m.economictimes.com/PDAET/articleshow/10747689.cms>).
- ²⁹TSF comprises of four major stakeholder groups, namely the Tirupur Knitwear Industry (represented by TEA), International clothing and fashion brands/retailers sourcing their merchandise from Tirupur (represented by the Brands’ Ethics Working Group or BEWG), 7 major Trade Unions and 4 Non-Governmental Organizations active in the Tirupur region.
- ³⁰Future is bright – Interview with Mr. Arumugam Sakthivel, President of the Tirupur Exporters’ Association,” *Frontline*, Volume 27—Issue 20, September 25–October 8, 2010.
- ³¹Response to SOMO/ICN/CASS Report: Statement by brands/retailers including ASOS, Bestseller, C&A, Grupocortefiel, H&M, Next plc, Mothercare, Primark, Tesco.”

- ³²Tackling Sumangali Schemes in India; <http://about.hm.com/content/hm/AboutSection/en/About/Sustainability/Commitments/Responsible-Partners/Beyond-Monitoring/Partnership-and-Public-Policy/Sumangali-Schemes.html>.
- ³³Frequently Asked Questions: What is Sumangali and what is Ted Baker doing in response to it?, http://www.tedbaker.com/faqs/ethical+_environmental_issues/what_is_the_sumangali_Scheme_and_what_is_ted_baker_doing_in_response_to_it_/answers.aspx.
- ³⁴“Western retailers want Tamil Nadu’s mills to scrap welfare Scheme for girls,” ET Bureau, November 18, 2011.
- ³⁵GAP, Walmart, C&A, H&M warn their Indian suppliers against textile mills that involve child & bonded-labour,” *Economic Times*, ET Bureau; November 16, 2011.
- ³⁶http://www.fairlabor.org/sites/default/files/documents/reports/migration_and_modern_day_slavery.pdf.
- ³⁷Joint presentation by Lakshmi Menon Bhatia of Fair Labor Association and Mohammad Shadab of Solidaridad at the Meeting of *Brand Ethical Working Group*, November 30, 2011, New Delhi.
- ³⁸“Guidance for migrant women workers in hostels & the recruitment process—spinning/garmenting factories,” Version 1.0, Tirupur Stakeholders’ Forum, September 2011.
- ³⁹“Guidance on Sumangali,” Business Social Compliance Initiative, April 2011.
- ⁴⁰“Eliminating forced labour in South India,” Fair Wear Foundation, Statement on Sumangali Scheme, May 2011.
- ⁴¹“Sumangali Scheme and Bonded Labour in India,” Fair Wear Foundation, September 2010.
- ⁴²“FWF strategy for combating forced labour in South India,” Fair Wear Foundation, December 2010.
- ⁴³“On Sumangali Schemes,” Social Accountability International,” June 7, 2011.
- ⁴⁴“SA8000 Guidance Supplement, Audit Guidelines for the Textiles Industry in Tamil Nadu, India,” Social Accountability International. August 24, 2011.
- ⁴⁵*Women Workers in a Cage—An investigative Study on Sumangali, Hostel & Camp Labour Schemes for Young Women Workers in the Tirupur Garment Industry*, SAVE and Tirupur People’s Forum, 2007.
- ⁴⁶Multi-Stakeholder Meeting on Labour and Employment Practices and Challenges in Garment and Textile Industry, organized by TPF, HMS and CEC, Coimbatore, March 10, 2011.
- ⁴⁷*Knitted Together—Multi-stakeholder Perspectives on Economic, Social and Environmental Issues in the Tirupur Garment Cluster*, Solidaridad and Partners in Change, 2006.
- ⁴⁸Fixation of Minimum Wages for the Category of Apprentices in Employment in Textile Mills under Minimum Wages Act (G.O. (2D) No. 61, Labour and Employment (J1), November 7, 2008; Tamil Nadu Government Gazette, Extraordinary, published by Authority, Chennai, Friday, November 7, 2008.
- ⁴⁹The Southern India Mills ... vs The State of Tamil Nadu, Madras High Court, dated 11.12.2009; The Honorable Mr. H. L. Gokhale, Chief Justice and The Honorable Mr. Justice D. Murugesan; W. A. Nos. 957, 992 & 993 of 2009 and M.P.Nos. 1+1+1 of 2009.

Important Court Cases

Guidelines by Madras High Court on Night Shift Work for Women Workers

Madras High Court

Vasantha R. vs Union Of India (Uoi) And Ors. on 8 December, 2000

Equivalent citations: (2001) ILLJ 843 Mad

Author: E Padmanabhan

Bench: Justice E Padmanabhan

The crux of the contention in this batch of writ petitions is there shall be no discrimination on ground of sex and the petitioners have challenged Section 66(2) of the Factories Act 1948, as arbitrary unconstitutional and violative of Articles 14, 15 and 19(1)(g) of the Constitution. In W.P. No. 4604 of 1999, Smt. R. Vasantha who is employed in the fifth respondent-mills and who is willing to work during day time or at night time on shift basis, depending on the workload had come forward with the present writ petition. According to the petitioner, she was informed by her management that they will render dormitories for comfortable stay and food within the factory premises, transport if necessary and other facilities to enable the women employees to work in the night shifts. However, due to the operation of Section 66(1)(b) of the Factories Act, 1948, the petitioner, a woman employee, is unable to carry on her chosen employment between 7.00 P.M. and 6.00 A.M. and hence she had challenged Section 66(1)(b) of the Factories Act, 1948. The petitioner and other women employees have been informed that Section 66(1)(b) of the Factories Act prohibits the mill, in the case of employment of women in its factory, in the third shift and as a result of which employment to women are denied. Hence many women had been denied employment in the factory like any other factories in the State and this result in discrimination and violation of Articles 14 and 15 of the Constitution.

However, after lots discussion and consultation, the court decided and made it clear that women cannot be excluded from employment during night shifts when they are being employed in the same factory during the two day shifts and denial of employment on the sole ground of sex is violative of Article 15 and it is discriminatory and therefore unconstitutional. It is not the case of any one that the woman is being employed in a solitary corner in a factory which involves risk or hazardous operation. On the other hand the very same woman worker discharges or performs during the two days shifts in a day the same work and there is no reason or rhyme to deny them employment or livelihood, which throws more opportunity, the potential employment cannot be denied on the sole ground of sex when no other factor arises.

In the result, all these writ petitions were allowed. As a result of which, court stroke down Section 66(1)(b), and declared Section 66(1)(b) as unconstitutional and violative of Articles 14, 15 and 16 of the Constitution.

It was also pointed out that by allowing the factories to engage female workers in the night shift (3rd shift) without any regulation or in the absence of any regulatory measures by way of rules or enactments, it would amount to exposing the female workers to unforeseen factors at times in some factories from which they may require protection to begin with or till the legal position gets settled. Hence while allowing the writ petitions, till the Central and State authorities introduce suitable provisions and frame necessary rules, the Court issued following guidelines and welfare measures for the female workers

who come forward to work during the night shifts:

(a) It shall be the duty of the employer or other responsible persons at the work places or institutions to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, statement or prosecution of acts of sexual harassment by taking all steps required.

(b) All employers or persons in charge of work place or factory should take appropriate steps to prevent sexual harassment and they should take the following steps:

(i) Express prohibition of sexual harassment in any form such as unwelcome sexually determined behaviour either directly or by implication or advances or contact to gain contact or demand sexually favours or make sexually coloured remarks or showing pornography or any other unwelcome physic verbal or non-verbal contact of sexual nature;

(ii) The rules or regulations shall be framed by the factory managements relating to conduct and discipline prohibiting sexual harassment and provide for appropriate penalties in such rules against the offenders and also introduce amendments wherever necessary which are existing in the Standing Orders;

(iii) Provide appropriate working conditions in respect of work, leisure, health and hygiene to further ensure that there is no hostile environment towards women at work places and no woman employee should have reasonable grounds to believe that she is disadvantaged in connection with her employment.

(c) In case of any criminal case the employer shall initiate appropriate action in accordance with the penal law without delay and also ensure that victims or witnesses are not victimised or discriminated while dealing with the complaints of sexual harassment and wherever necessary, at the request of the affected worker, shift or transfer the perpetrator, if circumstances warrant. The employer shall take appropriate disciplinary action if such conduct amounts to misconduct in employment

(d) The employer shall maintain a complaint mechanism in the factory itself and the said mechanism should ensure time-bound treatment of complaints. Such mechanism should be at any rate to provide, when necessary a Complaint Committee, a special counsellor or other support services including the maintenance of confidentiality.

(e) Such Complaint Committee should be headed by a woman and not less than half of its members should be women, besides a non-governmental organisation's representation in the committee. Such person should be familiar with the issues of sexual harassment.

(f) The female employees should be allowed to raise issues of sexual harassment to workers in the Workers' meeting and other appropriate for a.

(g) The female employees should be made aware of their rights in particular by prominently notifying the guidelines on the subject.

(h) Wherever there is harassment at the instance of a third party, either by an act or omission the employer and person in charge of the factory should take all steps necessary and reasonable to assist the affected person in terms of support and preventive action.

(i) The employer shall provide proper lighting not only inside the factory, but also surroundings of the factory and to all places where the female workers may move out of necessity in the course of such shift.

(j) The employer shall see that the women workers are employed in a batch not less than ten and the total of the women workers employed in a night shift shall not be

less than 2/3rd of the total strength.

(k) Sufficient women security shall be provided during the night shift at the entry as well as exit points.

(l) Sufficient number of work sheds shall be provided for the female workers to arrive in advance and also leave after the working hours.

(m) Separate canteen facility shall be provided for the female workers.

(n) Separate transportation facility shall be provided wherever transportation is provided by the employer or the occupier of the factory.

(o) Apart from the facilities, which are permissible under the Factories Act, an additional holiday shall be permitted for the women workers during their menstruation period, which shall be a paid holiday for the night shifts.

(p) The factory shall provide appropriate medical facilities and also make available at any time of urgency by providing necessary telephone connections and where more than hundred female workers are employed in a shift, a separate vehicle be kept ready to meet the emergent situation such as hospitalisation, whenever there is a case of injury or incidental acts of harassment etc.

(q) Wherever the factory provides boarding and lodging arrangements for the female workers, the same shall be kept exclusively for the women under the control of women wardens or supervisors.

(r) During night shift not less than 1/3rd-of strength of the supervisors or shift-in-charge or foreman or other supervisory staff shall be women.

(s) There shall be not less than twelve consecutive hours of rest or gap between the last shifts and the night shift whenever a woman worker is changed from day shift to night shift and so also from night shift to day shift.

(t) In other respects, the provisions of the Factories Act and the rules of other statutory provisions with respect to the hours of work and the Payment of Equal Remuneration Act and all other Labour Legislations shall be followed by the employer.

(u) The employer shall appoint not less than two female wardens per night shift who shall go round and work as Special Welfare Assistants.

(v) The female workers who work in night shifts and regular shifts shall have a monthly meeting through their representatives with principal employer once in eight weeks as grievance day and the employer shall try to comply all just and reasonable grievances.

(w) The employer shall be at liberty to employ female workers as a whole or in part during night shift, provided, the above directions be complied with.

(x) The employer shall send a fortnightly report to the Inspector of Factories about the details of employees engaged during night shifts and shall also send express report whenever there is some untoward incident to the Inspector of Factories and local Police station as well.

(y) The area Factories Inspectors and the Labour Officers shall strictly enforce the directions and make it a point to take note of the non-compliance in their inspection from time to time and see that the employer complies with the directions by appropriate action. The State Government is directed to circulate the copy of the above instructions to all the Inspector of Factories in the State.

**Challenging Government of Tamil Nadu Notification Fixing Minimum Rate of
Wages Payable to Apprentices Engaged in Employment in Textile Mills**

Madras High Court
Tamil Nadu Spinning Mills ... vs The State Of Tamil Nadu on 30 April, 2009
DATED: 30-04-2009

CORAM:
THE HONOURABLE MR. JUSTICE V. RAMASUBRAMANIAN
W.P.Nos.28741, 28749, 28782, 28783 and 28805 of 2008
And
M.P.Nos.1,2, 1, 2, 1, 2, 1 and 2 of 2008
W.P.No.28741 of 2008:

In this case, four writ petitions arise out of a challenge to a final notification issued by the Government of Tamil Nadu, fixing minimum rate of wages payable to the apprentices engaged in the employment in Textile Mills, while one writ petition challenges the vires of Section 3(3)(a) (iii) of the Minimum Wages Act, 1948, on the ground that no minimum rate of wages can be fixed for apprentices.

In February 2006, the State Textile Workers Federation made a representation through the Centre of Indian Trade Unions (CITU), to the Government of Tamil Nadu, alleging that the Textile Mills in Tamil Nadu were indulging in an exploitative practice of engaging adolescent girls under a Scheme known as Thirumagal Thirumana Thittam and that the same amounted in fact, to forced labour.

Thereafter, the Chief Inspector of Factories sent a report dated 14-2-2007 to the Government, stating that a camp coolie system was prevalent in Textile Mills under the name "Thirumagal Thirumana Thittam"; and that young girls above the age of 15 years were being engaged under the system for 3 years as apprentices and that their appointments were legalised by the Certification of the Standing Orders and that full production was carried on by the Mills by engaging 60 to 80% of them as the total work force and that after completing a tenure of 3 years these girls are paid a lump sum amount ranging from Rs.30,000/- to Rs.50,000/- to meet out their marriage expenses. The report also contained the following statistics:

Place	Total No. of Mills	Number of Mills Engaging Them	Number of Persons So Engaged
Erode	185	73	7810
Coimbatore	1041	291	21599
Dindigul	145	42	9052

It was further stated in the said report that several trade unions had expressed dissatisfaction about this system and that some allegations of sexual harassment of these girls had also arisen. The report recommended that since it might be impossible to abolish the system all of a sudden, it would be better to appoint monitoring committees at the district level. Accepting the recommendations of the Chief Inspector of Factories, the Government issued G.O.Ms.

No.62, Labour and Employment department, dated 30-3-2007, appointing District Monitoring Committees in the districts of Erode, Coimbatore and Dindigul.

At about the same time, a complaint/intimation was sent in the last week of March 2007 to the National Human Rights Commission, alleging that thousands of girls in the age group of 15 to 20, were employed as bonded labourers by certain Textile Mills under some dubious Schemes.

The National Human Rights Commission took the complaint on file and issued a notice dated 10.4.2007 to the Government of Tamil Nadu, directing them to look into the matter and submit a factual report within 4 weeks. Therefore, after receiving the recommendations of the Commissioner of Labour and the Chief Inspector of Factories, the Government issued G.O.Ms. No.137, Labour and Employment Department, dated 22.6.2007, ordering the constitution of District Monitoring Committees in the Districts of Erode, Coimbatore, Dindigul, Madurai, Theni, Salem, Namakkal, Karur, Sivaganga, Ramanathapuram, Virudhunagar, Tirunelveli, Tuticorin, Dharmapuri, Krishnagiri, Trichy and Vellore. This G.O was issued in supersession of the earlier order G.O.Ms.No.62, Labour and Employment department, dated 30-3-2007. The Monitoring Committees constituted by this G.O 137, were to comprise of the respective District Collectors as their Chairmen and the Deputy Commissioners of Labour of the Districts, the Deputy Chief Inspectors of Factories of the Districts and the District Revenue Officers as their members. The Committees were assigned the task of identifying Mills where young girls are employed as apprentices, examining their working conditions and advising the measures to be taken for prevention of exploitation of young girls in the guise of apprentices.

Thereafter, the Government issued a draft notification in G.O. (2D) No.26, Labour and Employment (J1) Department, dated 16.5.2008, proposing to fix the minimum rate of wages payable to the Apprentices engaged in the employment in Textile Mills at Rs.110/- per day, apart from Dearness Allowance specified in the Explanation to the notification. This notification was published in the Tamil Nadu *Government Gazette*, Part-II, Section 2 at page-203.

The Southern India Mills Association (SIMA), the South India Small Spinners Association, The Tamil Nadu Spinning Mills Association (TASMA), Employers' Federation of South India and about 302 Mills as well as some Trade Unions, sent objections and suggestions to the draft notification. After considering the objections/suggestions, the Government issued G.O. (2D) No.61, Labour and Employment (J1) Department, dated 7.11.2008, confirming the draft notification. Paragraphs-3 to 5 of the final notification dated 7.11.2008, spelt out the process by which the Government arrived at the decision to confirm the draft notification. The Government by fixing minimum rates of wages to apprentices in textile mills have acted upon the direction of the Division Bench of the Hon'ble Madras High Court in the interim order dated 3.10.2007 in a writ petition filed by certain Trade Unions in W.P.No.27362 of 2007, to the authorities to take steps to ensure that these apprentices receive wages as per the law.

In the final notification published in the *Government Gazette*, Government advised following:

1. The Governor of Tamil Nadu hereby fixes the minimum rate of wages payable to the apprentices engaged in the Employment in Textile Mills, including Composite Mills, Spinning Mills, Weaving Mills, Open Ended Mills.....in the State of Tamil Nadu, as Rs.110/- (Rupees one hundred and ten only) per day,

2. In addition to the minimum rate of wages fixed above, the apprentices shall be paid dearness allowance
3. Where the nature of work is the same, no distinction in the payment of wages shall be made as between men and women apprentices.
4. To arrive at monthly wages, the daily wages shall be multiplied by 30.
5. Wherever the existing wages are higher than the minimum wages fixed herein, the same shall be continued to be paid.
6. This Notification shall come into force with effect on and from the date of publication in the *Tamil Nadu Government Gazette Extraordinary*, dated the 7th November 2008.

The associations attached this notification of the Government on various grounds, including that workers in textile mills are organized and hence fixation of minimum rate of wages is not required for them. Secondly, they questioned that the power to fix minimum rate of wages under Sector 3 (1)(a) of the Act does not extend to apprentices, but limited only to the employees. Thirdly, the petitioners contend that apprentices are only learners, irrespective of the industry in which they are engaged for the purpose of training or learning. Therefore the petitioners contend that different rates of minimum wages cannot be fixed for apprentices in different industries.

The court however, said that they are of the view that there is no bar under the Act, for the Government to treat an apprentice as an employee within the meaning of the Act and to issue a notification fixing minimum rates of wages for such apprentices. The court said that the Act does not stipulate that the minimum rate of wages fixed for apprentices in all industries should be the same. Nor is there any restriction in the Act, on the power of the Government to fix different rates of minimum wages for apprentices in different industries. In fixing or revising minimum rates of wages under the Section,

- (a) different minimum rates of wages may be fixed for -
 - (i) different scheduled employments;
 - (ii) different classes of work in the same scheduled employment;
 - (iii) adults, adolescents, children and apprentices;
 - (iv) different localities."

Therefore a restriction, as contended by the petitioners, cannot be read into the above provision.

In conclusion, however, the court held that the writ petitions fail and are dismissed with no order as to costs. Consequently, all the miscellaneous petitions were also dismissed.

Challenging the Notification Dated 7th November 2008 Issued by the Labour and
Employment Department of State of Tamil Nadu

Madras High Court

The Southern India Mills ... vs The State Of Tamil Nadu on 11 December, 2009

Dated: 11.12.2009

Coram:

The Honorable Mr. H. L. GOKHALE, CHIEF JUSTICE

and

The Honorable Mr. Justice D. MURUGESAN

W.A.Nos. 957, 992 & 993 of 2009

and

M.P.Nos. 1+1+1 of 2009

These three appeals arise out of a common judgment and order dated 30th April, 2009 whereby a learned single Judge of this Court dismissed the writ petitions filed by the appellants herein challenging the notification dated 7th November, 2008 issued by the Labour and Employment Department of the first respondent/State of Tamil Nadu fixing the minimum wages for the apprentices engaged in the employment in Textile Mills including Composite Mills, Spinning Mills, Weaving Mills, Open Ended Mills and the various processes in the above mills at the rate of Rs.110/- per day, apart from the Dearness Allowance, as laid down in the said notification. The notification is stated to have come into force with effect from the date of publication thereof in the Tamil Nadu Government Gazette Extraordinary dated 7th November, 2008.

5. Some of the facts leading to these appeals are as follows:

- (i) A Scheme appears to have been developed during last few years by some of the textile mills in the State of Tamil Nadu, under which un-married young girls are engaged as apprentices for a period of about three years, and at the end of that tenure they are paid a certain lumpsum amount to meet their marriage expenses. This Scheme is conducted under various names, one of which being _ Sumangali Marriage Scheme_. The submission of the workers_ unions appears to be that this is an exploitative Scheme and that there have been cases of sexual harassment as well. As against that, it has been the refrain of the mill-owners that this is a good Scheme for the benefit of the unmarried young girls.
- (ii) The fact, however, appears that in view of the representations of the Federation of the State Textile Workers, the State Government issued a preliminary notification on 8th August, 2006 for inclusion in Part-I of the Schedule to the Minimum Wages Act, 1948 (for short _the Act_), the employment in Textile Mills including Composite Mills, Spinning Mills, Weaving Mills, Open Ended Mills and the various processes in the above said Mills like Blow Room, Carding, Drawing, Fly Frames, Spinning, Winding, Doubling, Reeling, Packing, Warping-sizing and other processes in the Textile Mills whether carried out singly or together.
- (iii) Objections were invited to this notification. They were considered and subsequently, the preliminary notification was confirmed without any

modification by the Labour and Employment (J2) Department in its G.O.Ms. No.1 dated 3rd January, 2007. Accordingly, the notification was published in the Tamil Nadu Government Gazette including employment in Textile Mills at Sl.No.88 in Part-I of the Schedule to the Act by way of an amendment thereto. This was in exercise of the powers conferred under Section 27 of the Act. It is material to note that the Tamil Nadu Spinning Mills Association challenged this addition of employment in Textile Mills by filing W.P.No.9182 of 2007, which was dismissed by a Division Bench by an order dated 31st October, 2007.

(iv) In the meanwhile, the Chief Inspector of Factories had sent a report on 14th February, 2007 to the Government of Tamil Nadu wherein he described the aforesaid system as _Camp Coolie System_. He stated that some Mills were engaging almost 60% to 80% of their work force through employment of such young women. The Report led the State Government to appoint a Committee on 30th March, 2007 to look into this problem in three Districts of Erode, Coimbatore and Dindigul. On a complaint being made to the National Human Rights Commission, the Commission also sent a notice to the State Government on 10th April, 2007 which led the State Government to constitute a Committee for 17 Districts on 22nd June, 2007 including the earlier mentioned three Districts.

(v) Public Interest Petitions were filed by the Trade Unions challenging the constitution of these two Committees by the State Government bearing W.P.Nos. 21868 and 27362 of 2007, which led the High Court to widen the Committee and to constitute a District Monitoring Committees comprising of District Collector, Deputy Chief Inspector of Factories and Deputy Labour Commissioner, one representative of the District Legal Authority and one women NGO. The Committee was to carry surprise inspection of the Textile Mills and to give a report.

(vi) This led the State Government to issue a draft notification dated 16th May, 2008 proposing to fix Minimum Rates of Wages to the Apprentices in Textile Mills at Rs. 110/- per day apart from the Dearness Allowance. The appellants herein and some other organizations and representatives of the Textile Mills as well as some Trade unions submitted their objections and suggestions. The Government after carefully considering the objections and the suggestions rejected the same by its G.O. (2D) No.61, Labour and Employment (J1) Department dated 7th November, 2008 confirming the draft notification dated 16th May, 2008.

(vii) Paragraphs 3 to 5 of this final notification spells out the process by which the Government arrived at the decision.

The Government have carefully examined the objections/suggestions received from the Southern India Mills Association, the South India Small Spinners Association, Tamil Nadu Spinning Mills Association, the Employers' Federation of Southern India, 302 individual mills and few Trade Unions and also the report of the Commissioner of Labour in this regard. The Government have examined, considered and decided to reject the objections/suggestions made by individual mills, Employers' Associations and Trade Unions. Accordingly, the Government confirm the above preliminary notification.

The Government by fixing minimum rates of wages to apprentices in textile mills have acted upon the direction of the Division Bench of the Hon'ble Madras High Court in the interim order dated 3.10.2007 in a writ petition filed by certain Trade Unions in W.P.No.27362 of 2007, to the authorities to take steps to ensure that these apprentices receive wages as per the law.

The Government have taken into consideration of various factors like the existing low wages paid to apprentices, the rapid changes in the consumer price index adversely affecting the living conditions of workers, representations made by various trade unions to the Government regarding the plight of apprentices, notice issued by the National Human Rights Commission in this issue and the direction by the Division Bench of the Hon'ble Madras High Court to the authorities to take steps to ensure that these apprentices receive wages as per the law."

The following were the grounds on which the appellants contested the case:

- State has no power to fix Minimum Wages for the Apprentices
- The procedure contemplated under the Act has not been followed
- State was barred from fixing minimum wages in view of Section 3(2A) of the Act:
- The last ground of attack of the appellants has been that all throughout the wages in the Textile Mills in Tamil Nadu have been framed by various agreements and awards from time to time.

The learned single Judge dealt with the objections raised by the appellants in an elaborate and well considered judgment. For the reasons stated in the judgement, The court was in entire agreement with the judgement that they have no reason to interfere with the impugned judgment. In the court's opinion fixing of minimum wages at Rs.110/- per day for the Apprentice by the impugned notification dated 7th November, 2008 is quite timely and fully justified. All the appeals are therefore dismissed. Consequently, miscellaneous petitions are closed. There will be no order as to costs.

Epilogue

Some of the objectives of this research paper were to understand the issue of the Sumangali Scheme by looking at different aspects of the Scheme, how it is exists in different parts of the supply chain and the linkages with brands and retailers. We also wanted to understand the different initiatives created to address the exploitative nature which were highlighted in the media. This study took a holistic approach to the issue of Sumangali by taking the different views of the key stakeholders and better ascertaining the gaps that need to be forged to eliminate the exploitative aspects of the Sumangali Scheme.

Solidaridad and FLA designed the research project

with a validation workshop where findings of the research would be presented to all stakeholders and feedback received to finalize the report. Fortunately, the project had three opportunities to hold validation consultations. Firstly at FLA's stakeholder meeting on "Migration and Trafficking: Issues and Initiatives" held at the University of Notre Dame on October 3, 2011; secondly, at the meeting of the Brands Ethical Working Group in Gurgaon on November 30, 2011, and lastly, at the FLA and Ethical Trading Initiative's meeting in Tirupur on March 29, 2012. All the views coming out of these meetings informed the final version of this report. These views have been included in the research report.

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