
Challenges and Prospects for Decent Employment in Tamil Nadu's Spinning Mills

by

Anibel Ferus-Comelo

on behalf of

CIVDEP-INDIA and FEMNET

December 2015

Acknowledgements

We are grateful to all the workers who agreed to talk to us and shared their perspectives on employment with us at the end of long days of work or on their precious days off.

This study would not have been possible without the guidance and investment of time from our local research partners, CARE-T, SAVE and READ, whose leaders profoundly shaped our understanding of the issues on the ground.

We appreciated the positive response from the government officials and some industry representatives who accommodated our request for interviews despite their busy schedules.

For their research assistance, we thank: Jonne Bosselaar for the secondary data meticulously collected in the initial stage of the project; and Vaidegi Eganathan for interviewing workers and diligently transcribing the interviews.

Dr. Anibel Ferus-Comelo
anibelfc@gmail.com

Table of Contents

| | |
|---|-----------|
| Acknowledgements | 2 |
| Table of Contents | 3 |
| Tables and Figures..... | 4 |
| Table of Acronyms | 5 |
| Introduction | 6 |
| Chapter 1: An Industry Overview | 8 |
| 1.1 Made in India..... | 8 |
| 1.2 State Subsidies | 14 |
| 1.3. Business Associations' perspective..... | 18 |
| Chapter 2: Industry and Labour in Tamil Nadu | 21 |
| 2.1 Tamil Nadu's importance for India's textile industry | 21 |
| 2.2 Working for Fashion: bonded labour, forced labour, child labour | 24 |
| 2.3 Dead-end jobs?..... | 27 |
| 2.4 Accommodation | 35 |
| Chapter 3: State and Civil Society Response..... | 39 |
| 3.1 Lack of Regulation and Enforcement..... | 39 |
| 3.2 Prevention, Rescue and Rehabilitation..... | 42 |
| 3.3 Unions | 45 |
| 3.4. Initiatives..... | 46 |
| Chapter 4: Recommendations supported by FEMNET | 48 |
| Bibliography | 53 |

Tables and Figures

| | |
|--|----|
| Table 1: India's textile manufacturing capacity | 8 |
| Table 2: World Clothing Exports, January – July 2015 | 11 |
| Table 3: World Textile Exports, January - July 2015 | 11 |
| Table 4: India's Exports of Textiles Sector, 2014-2015 | 12 |
| Table 5: Subsidies approved under the R-TUFS | 17 |
| Table 6: India's Import Duties in Three Markets | 20 |
| Table 7: Profile of the Textile Industry in Tamil Nadu 2013-2014 | 21 |
| Table 8: Textile Parks in Tamil Nadu | 23 |
| Table 9: Number of Mills and workers under the camp labour system | 24 |
| | |
| Figure 1: Growth of the Textile Industry, 2005 - 2011 | 9 |
| Figure 2: Projected growth of India's textile market size (US\$ billion) | 9 |
| Figure 3: Share of India's textile exports in 2014-2015 | 13 |
| | |
| Box 1: A case of child labour and forced labour? | 26 |
| Box 2: Migrant Child Labour | 28 |
| Box 3: The Difference Education makes | 29 |
| Box 4: Manju, bonded to fashion? | 31 |
| Box 5: Cheated but Coping | 34 |
| Box 6: A Rescue Operation | 41 |
| Box 7: Fact-Finding Mission in the Krishna Mills case | 44 |
| Box 8: Raising Aspirations and Supporting Dreams | 45 |

Table of Acronyms

| | |
|-----------|--|
| Care-T | Community Awareness Research Education Trust |
| CITI | Confederation of Indian Textile Industry |
| CSO | Civil Society Organisations |
| ESI | Employees' State Insurance |
| GDP | Gross Domestic Product |
| GoI | Government of India |
| ILO | International Labour Organisation |
| ISDS | Integrated Skill Development Scheme |
| MGNREGA | Mahatma Gandhi National Rural Employment Guarantee Act |
| NGO | Non-governmental organisation |
| PF | Provident Fund |
| PPP | Public private partnership |
| READ | Rights Education and Development Centre |
| RMG | Ready-made garments |
| RTE | Right to Education |
| RTI | Right to Information |
| RTUFS | Revised Technology Upgradation Fund Scheme |
| SAVE | Social Awareness and Voluntary Action |
| SIMA | South India Mills Association |
| SITP | Scheme of Integrated Textile Parks |
| SMEs | Small and medium enterprises |
| SSI | Small scale industries |
| TASMA | Tamil Nadu Spinning Mills Association |
| TEA | Tirupur Exporters Association |
| TEXPROCIL | Cotton Textiles Export Promotion Council |
| TPF | Tirupur People's Forum |
| TSF | Tirupur Stakeholders Forum |
| TUFS | Technology Upgradation Fund Scheme |

Introduction

Since the 'Make in India' initiative was launched under Prime Minister Narendra Modi, India's rank among 189 countries has risen 12 notches to 130, according to the World Bank's flagship report, "Doing Business 2016." The data signals the increasing ease of doing business in India. For instance, India has slashed the number of days it takes to start a business from 127 in 2004 to 29 in 2015 by gradually streamlining the process, establishing new systems, eliminating certain requirements, and so on.¹ India has indeed succeeded in creating a more business-friendly environment than ever before.

As India welcomes global capital, multinational companies are being made more aware of their responsibilities for labour and environmental protection not only in their home countries but also in countries from which they procure their supplies and products. Besides quality and market-responsiveness, adopting and demonstrating international labour standards in transnational production networks are fast becoming the linchpin of global success. This means that domestic producers and suppliers of foreign brands need to aim toward global principles, not just national legislation in order to maintain their competitiveness.

India's textile and garments industry has gained international reputé and Tamil Nadu has been at the forefront of this global ascent. However, greater strides could be made to eradicate the mutated forms of the Sumangali scheme. The 'scheme,' as it is called by workers in Tamil Nadu, is an exploitative employment system involving girls as young as 12 years doing long, gruelling work shifts on slave wages, living in hostels that resemble refugee camps. They are recruited from impoverished, lower-caste families on the basis of the patriarchal idea of marriage as a girl's goal in life and the neoliberal notion of women's empowerment through the labour market. Although the term 'sumangali' (meaning a girl gaining respectable status through marriage) is rarely used any more due to its notoriety, the same practice continues under different guises since investigations by several national and international civil society organizations have drawn attention to this perverted employment system.² This report uses the term 'camp labour' to refer to the working conditions that have persistently been associated with the sumangali scheme, albeit with some variation.

This research report seeks to respond to three key questions: (1) How does the nature and structure of the textiles and garment industry, along with government aid, influence the wages and conditions for workers at the end of global supply chains? (2) What is the industry, the state and civil society doing to improve the working and living conditions of scheme workers? (3) What are some ways in which a better balance between economic growth and justice for textile and garment

¹ World Bank (2016: 16)

² There have been numerous reports related to the sumangali scheme, notable among which are: FNV and ICN (2014); ASK (2015); SOMO (2011); SOMO (2014); Venkat (2007).

workers can be established? These questions are addressed in the following four chapters with the ultimate goal of identifying effective interventions that are rooted in the local cultural and socio-political context. If bridges can be built among the different stakeholders for a transformative alliance, the textile and garment industry could be poised to breathe life into the national aspiration of inclusive growth as economic growth with reduction in poverty and social inequalities, especially based on caste and gender.

This study presents a snapshot of the textile industry with employment conditions, state of regulation and civil society response in Tamil Nadu. It is based on a combination of secondary data and primary research. Company and business association websites provided information on the geography and structure of the textile industry. Local press clippings and ‘grey’ materials such as position papers complemented industry analyses in trade journals. Governmental records of industrial promotion policies and pertinent labour policies were equally useful as secondary data. It must be noted that the statistical data available in the public domain are fairly outdated and often cannot be traced to the original sources. The time lag between the data collection and changes on the ground, as well as difference in methods used by various stakeholders – state agencies, NGOs and the industrial representatives – means that there are differences between the figures they present. All efforts have been made to cite figures from the most reliable sources.

The primary research involved focus group and in-depth interviews with former and current camp labour at NGO offices and vocational training centres in order to understand their situation framed by poverty, migration and the changing forms of employment. The primary research is complemented by the findings of a study conducted by Social Awareness and Voluntary Action (SAVE), a NGO based in Tirupur, among 1990 camp labourers who have worked at 373 spinning mills in six districts - Dindigul, Erode, Trichy, Tirupur, Karur and Coimbatore.³ The analysis is also complemented by press coverage, focus group discussions with workers, and interviews with business associations and government officials by the author of this study.

All case studies of camp labour contain pseudonyms to protect workers’ identities. Interviews were also conducted with business association representatives, government officials and leaders of non-governmental organisations which work with camp labour.

³ The findings of the SAVE study correspond to recent studies, eg. ASK (2015: 14 – 18); FNV and ICN (2014); and SOMO (2014).

Chapter 1: An Industry Overview

The Indian textiles industry is one of the oldest sectors in the country. Due to the rich availability of raw materials such as cotton, wool, silk and jute and the labour intensive nature involved, the textile industry has been an important pillar of the Indian economy. A unique feature of the Indian textiles industry is that it is capable of producing a wide range of products targeting different market segments, both domestically and around the world. Indian textiles cover the entire value chain, is composed of sub-segments that are spread around the country in clusters, and are sheltered and nurtured by the state, primarily the Ministry of Textiles, Government of India (henceforth GoI). This chapter discusses the nature and structure of the Indian textile industry, the policy framework and state support, and finally, the significance of Tamil Nadu's textile industry in relation to the national and global trade.

1.1 Made in India

India is currently an important hub in the global production networks of textiles. It is the world's second largest producer of textiles and garments. India's textiles industry accounts for about 24 percent of the world's spindle capacity and eight percent of the global rotor capacity, and is expected to reach a value of US\$ 223 billion by 2021.⁴ It is the second largest employer in India after agriculture and provides 45 million direct jobs.⁵

Table 1: India's textile manufacturing capacity⁶

| Installed Capacity (in Million Nos.) | World | India | % Share in world | Rank |
|---|--------------|--------------|-----------------------------|-------------|
| Spindles | 220 | 49 | 22 | 2 |
| Rotors | 9 | 0.8 | 8 | 4 |
| Looms | 9.7 | 4.85 | 50 | 1 |

India's textile manufacturing is divided between the domestic and export markets by 65 percent and 35 percent, respectively.⁷ Of the domestic products, 69 percent is apparel, 7 percent is home textiles and 24 percent is technical textiles; whereas the exports are composed of apparel (42%) and home textiles (58%).⁸

⁴ IBEF (2015)

⁵ CCI (2015)

⁶ GIM (2015: 6)

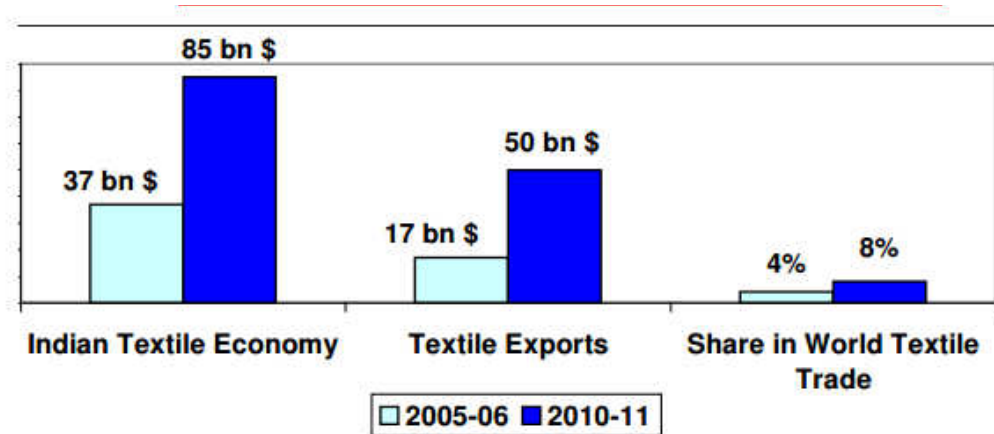
⁷ GIM (2015: 8)

⁸ GIM (2015: 8)

Significance for development

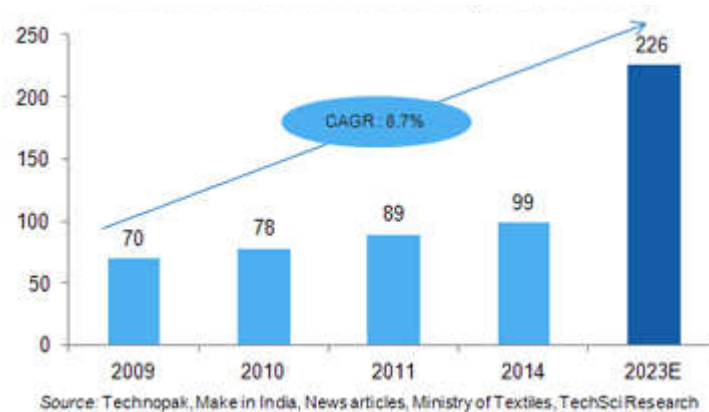
Studies on the textile industry show that the industry has more than doubled in economic significance over a period of five years.⁹

Figure 1: Growth of the Textile Industry, 2005 - 2011



According to the Cotton Textiles Export Promotion Council (Texprocil), textile exports grew by 5.4 percent to US\$ 41.4 billion in 2014-15.¹⁰

Figure 2: Projected growth of India's textile market size (US\$ billion)¹¹



Representing 14 percent of industrial production in the country, the textile industry makes a tremendous contribution to the Indian economy.¹² It produces four percent of the gross domestic product (GDP) and draws 27 percent of the country's foreign

⁹ Ministry of Textiles (no date)

¹⁰ IBEF (2015)

¹¹ IBEF (2015)

¹² Ministry of Textiles (2015: 1)

exchange inflows.¹³ It contributes 14 percent to the Index of Industrial Production.¹⁴ The Working Group set up by the Planning Commission to boost India's manufacturing exports during the 12th Five Year Plan (2012-2017) envisages the country's exports of textiles and garments at USD 64.41 billion by the end of March 2017.¹⁵

Investment in the textiles industry has risen sharply during the last five years. From April 2000 to May 2015, the industry attracted foreign direct investment (FDI) worth US\$ 1,647.09 million.¹⁶ Welspun India Ltd., for example, plans to launch a new spinning factory in Anjar, Gujarat that would be the largest integrated textile manufacturing facility in the country to include all the production processes under one roof. It is endorsed by the policy of the Government of Gujarat that aims to promote the entire textile value chain (see below).

In 2014, fabric production in India was divided by the following shares among various sub-sectors: mills (4%), handlooms (11.1%), power looms (58.8%), hosiery or knitted (24.8%), and khadi, wool and silk (1.3%).¹⁷

Besides the raw material base and the vertically and horizontally integrated value chain, the three greatest strengths of the Indian textile industry are: the lowest cost of cotton yarn in the world at approximately US\$ 2.5 per kg; low wage costs of US\$ 0.75 per hour for an operator compared to US\$ 1 in China and US\$ 3 in Turkey; and a flexible production system.¹⁸

Importance in international supply chains

According to the WTO-International Trade statistics, India is among the top five countries, with Vietnam, China, Bangladesh and Turkey, to have a higher annual growth rate in exports of textiles and clothing than the world's CAGR of 5.5 percent between 2000 and 2010.¹⁹ India's exports of textile products rose in value by 16 percent between 2012-2013 and 2013-14 to US\$ 28,855 million.²⁰ The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 percent over a ten year period.²¹ Cotton textiles and cotton garments composed the majority of the exports at 31 percent each followed by man-made fibre garments (24%) and man-made yarn and fabrics (13%) in 2014.²²

¹³ CCI (2015)

¹⁴ IBEF (2015)

¹⁵ GIM (2015)

¹⁶ IBEF (2015)

¹⁷ CITI (2014: 17)

¹⁸ GIM (2015)

¹⁹ CITI (2014: 24)

²⁰ CITI (2014: 28)

²¹ IBEF (2015)

²² CITI (2014: 28)

The Table below presents the top ten exporting countries of clothing, representing 75 percent of the global trade. India is the fifth largest exporter, with the second highest growth, after Vietnam, between 2014 and 2015 at 7.53 percent.²³

Table 2: World Clothing Exports, January – July 2015

| Rank | Reporting Country | Million United States Dollars | | | % Change 2015/2014 |
|----------|-------------------|-------------------------------|---------------|---------------|--------------------|
| | | 2013 | 2014 | 2015 | |
| | World | 234593 | 254648 | 238404 | -6.38 |
| 1 | China | 88058 | 93022 | 86891 | -6.59 |
| 2 | Bangladesh | 15156 | 17116 | 17726 | 3.57 |
| 3 | Vietnam | 9294 | 11146 | 12384 | 11.11 |
| 4 | Italy | 12545 | 13623 | 11530 | -15.36 |
| 5 | India | 8752 | 10101 | 10861 | 7.53 |
| 6 | Hong Kong | 11301 | 10779 | 9743 | -9.62 |
| 7 | Germany | 9805 | 10979 | 9235 | -15.89 |
| 8 | Turkey | 8705 | 9682 | 8408 | -13.15 |
| 9 | Spain | 6092 | 6343 | 6060 | -4.45 |
| 10 | France | 5874 | 6316 | 5588 | -11.53 |

India is the third largest exporter of textiles , with a decline of 13.76 percent between January and July 2015 in comparison to a growth of 6.25 percent the previous year.

Table 3: World Textile Exports, January - July 2015

| Rank | Reporting Country | Million United States Dollars | | | % Change 2015/2014 |
|----------|-------------------|-------------------------------|---------------|---------------|--------------------|
| | | 2013 | 2014 | 2015 | |
| | World | 197183 | 204009 | 187504 | -8.09 |
| 1 | China | 61843 | 64608 | 63425 | -1.83 |
| 2 | United States | 13381 | 12944 | 12434 | -3.94 |
| 3 | India | 12573 | 13358 | 11520 | -13.76 |
| 4 | Germany | 9287 | 9957 | 8420 | -15.43 |
| 5 | Italy | 8534 | 9220 | 7543 | -18.19 |
| 6 | South Korea | 8160 | 8157 | 7302 | -10.48 |
| 7 | Turkey | 7306 | 7678 | 6630 | -13.66 |
| 8 | Taiwan | 6312 | 6310 | 6054 | -4.06 |
| 9 | Hong Kong | 6441 | 5871 | 5506 | -6.21 |
| 10 | Pakistan | 4891 | 4889 | 4498 | -8.00 |

India exports textiles to nearly 100 countries.²⁴ Two-thirds of India's textiles are exported to the USA and the EU, the two largest textile consumers in the world.²⁵

²³ Data source: GTIS, Geneva, cited by TEXPROCIL (2015)

²⁴ GIM (2015)

These two regions account for nearly 64 percent of clothing and 39 percent of textile consumption.²⁶ India is the third among the largest ten exporters of textiles to the EU, representing 84 percent of the trade from January to August 2015.²⁷ Germany is the only EU country that figures among the top five importers of cotton textiles, and is the second largest importers of cotton made-ups in the world.²⁸

The other major export destinations of India are China, United Arab Emirates, Bangladesh, Sri Lanka, Saudi Arabia, the Republic of Korea, Turkey, Pakistan, Brazil, Hong-Kong, Canada and Egypt.²⁹ The top five countries to which India exports textile products, measured in US\$ million, have risen the most in percentage are: China (60%), Turkey (28%), the UAE (21%), Germany (18%), and France (16%).³⁰

Table 4: India's Exports of Textiles Sector, 2014-2015³¹

| ITEM | APR – SEP '14 | APR – SEP '15 | % Growth |
|--|---------------|---------------|----------|
| Million US \$ | | | |
| Cotton Yarn/Fabs./made-ups, Handloom Products etc. | 5285.38 | 5157.76 | -2.41 |
| Man-made Yarn/Fabs./made-ups etc. | 2652.00 | 2455.55 | -7.41 |
| RMG of all Textiles | 8369.23 | 8561.82 | 2.30 |
| Jute Mfg. including Floor Covering | 185.35 | 216.97 | 17.06 |
| Carpet | 723.85 | 730.77 | 0.96 |
| Handicrafts excl. handmade carpet | 655.22 | 844.79 | 28.93 |
| Total | 17871.03 | 17967.66 | 0.54 |

1.2 Structure of the Industry

While the Indian textile industry is fully vertically integrated, it is also highly decentralised and fragmented, composed of thousands of small-scale spinning, weaving, finishing and garment-producing factories. Broadly, the textile industry can be divided into two sections. First, the unorganised sector that comprises the bulk of the industry, consisting of handloom, powerloom, hosiery, knitting, ready-made garments (RMG), and also khadi, handicrafts, sericulture, and carpet manufacturing units, which operate as small-scale cottage industries. Second, the organised sector that consists of spinning mills and composite mills; the latter of

²⁵ Ministry of Textiles (2015: 32)

²⁶ GIM (2015)

²⁷ GTIS, Geneva cited by TEXPROCIL (2015)

²⁸ GTIS, Geneva cited by TEXPROCIL (2015: 20)

²⁹ Ministry of Textiles (2015: 32)

³⁰ CITI (2014: 30)

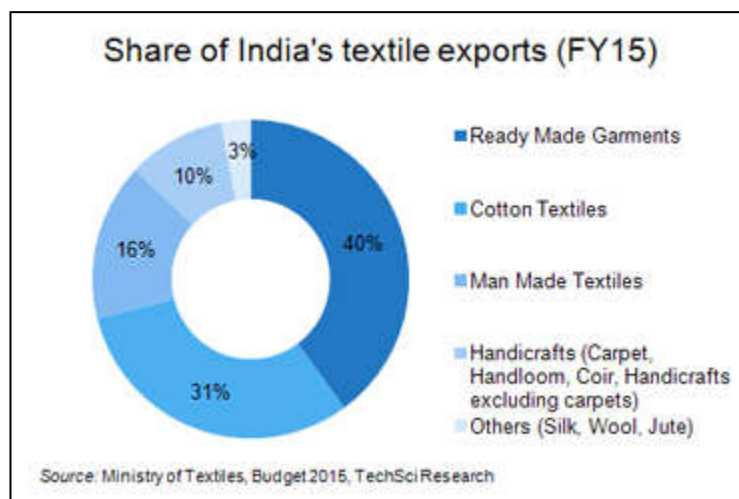
³¹ DGCIS/MOC cited in TEXPROCIL (2015: 21)

which involve spinning, weaving and processing activities under a single roof, as well as the apparel and garments sector that operates on economies of scale.³²

According to the Confederation of Indian Textile Industry (CITI), the spinning industry is predominately composed of small and medium enterprises (SMEs), with the number of small units increasing from 1,260 in 2010 to 1,311 in 2014.³³ A majority of these SMEs that are in the unorganised sector struggle with obsolete technology.³⁴ They find it difficult to meet growing demand, and as a result, India's share of global fabric production is only 20 percent even though 60 percent of the global loom capacity exists in India. This mismatch between capacity and output has been traced to early state policies that promoted the small-scale sector with tax and fiscal incentives and favourable labour policies, giving them a competitive edge over large-scale units and discouraging investment in the latter. It has also been found that other companies outsource to small-scale units to take advantage of the state subsidies which support the latter.

Of the five segments in the textile industry, ready-made garments accounts for the largest portion of India's total textile exports.

Figure 3: Share of India's textile exports in 2014-2015



³² IBEF (2015)

³³ CITI (2014: 12)

³⁴ Fibre2Fashion (2015)

Major Players

A few of the best-known domestic companies in the Indian textile industry are Chiripal Group, The Victoria Mills Limited, Digjam, The Ruby Mills Ltd., Bombay Dyeing, Arvind Mills, Welspun India Ltd., Alok Industries Ltd., and Raymond Ltd.³⁵

Some significant foreign investors in the Indian textile industry are: American corporations such as Ahlstorm, Skaps, Strata Geosystems, Esprit, Levi's, and Forever 21; UK companies such as Terram, Marks and Spencer; Zara and Mango from Spain; Benetton, Zambiatì and Monti from Italy; Trutzschler from Germany; Rieter from Switzerland; Soktas and Bilsar from Turkey; CMT from Mauritius; E-land from South Korea; Nissinbo and Marubeni from Japan.³⁶

Besides the large manufacturers and foreign multinationals, the textile industry can be divided into several tiers of units by the size of their workforce or revenue. The Micro, Small and Medium Enterprises Development Act, 2006 defines SMEs as units that have an investment of over Rs. 10 million and below Rs. 100 million in plant and machinery. Another form of distinction among units is by the number of workers. Micro units are said to employ less than 20 workers; small enterprises employ between 20 and 100 workers; Medium-size units employ 100 to 500 workers and large companies employ 500 or more workers.³⁷

1.2 State Subsidies

One of the key growth drivers of the textile industry has been the policy framework and state subsidies at the national and state levels. The flagship initiative of the GoI to stimulate manufacturing in the country is the 'Make in India' programme. It is designed to facilitate investment, foster innovation, protect intellectual property and enhance infrastructure that supports all production processes including transportation, customs and logistics.³⁸

Launched through the Ministry of Textiles, the national Textile Policy 2000 has focused on technological upgrades, product diversification, enhancing the scale of productivity, expansion of a skilled workforce and more conducive financial arrangements to boost the ease of doing business in textiles. These areas of concentration continue to resonate in current government policies and programmes and provide the competitive edge to the textiles industry.³⁹ Currently, 100 percent FDI through the automatic route is permitted in the textiles industry.⁴⁰ In the unorganised sector, state programmes target special interest groups such as Kashmiri artisans engaged in pashmina, jute farmers, or seek to link textiles with

³⁵ CCI (2015)

³⁶ CCI (2015)

³⁷ Interview, Community leader, 2 December, 2015.

³⁸ Ministry of Textiles (2015: 2); See also <http://www.makeinindia.com/>

³⁹ Ministry of Textiles (2015: 5)

⁴⁰ IBEF (2015)

tourism in order to stimulate growth. In the organised sector, the GoI has three major national initiatives in support of textiles.

Scheme of Integrated Textile Parks (SITP)

Since 2005, the GoI provides 40 percent of infrastructure costs with an upper limit of Rs. 40 crore under the Scheme for Integrated Textile Parks (SITP).⁴¹ It has approved 13 proposals under the Scheme of Integrated Textile Parks (SITP) to be implemented in public private partnership (PPP) mode for infrastructure development during the 12th Five Year Plan (2012-2017).⁴² An additional budget of US\$ 1041.5 million has been approved under the 12th Plan for a new Integrated Processing Development scheme in order to address environmental concerns.⁴³ Industrial clusters with high growth potential ('Mega Clusters') receive governmental support to improve or expand common infrastructure, such as common effluent treatment facilities, and buildings for production-related activities such as engineering and packaging. An additional Rs. 10 crore (US\$ 10.4 million)⁴⁴ is allocated to each park to promote apparel manufacturing units under the same scheme.⁴⁵

Forty textile park projects at an estimated cost of Rs. 4141 crore have been sanctioned during the 10th and 11th Five Year Plan periods. Of this total cost, Rs. 1,428 crore will come from the GoI. ⁴⁶ The textile parks are expected to attract an investment of US\$ 4.38 billion.⁴⁷ Nine textile parks were approved in Maharashtra, followed by Gujarat and Tamil Nadu with seven each. The rest of the projects were planned in the following states: Andhra Pradesh (5), Rajasthan (6), Karnataka (1), Punjab (3), West Bengal (1) Madhya Pradesh (1). Sixteen projects have been completed, for example, the Palladam Hi-tech Weaving Park and Karur Textiles Park in Tamil Nadu. Twenty-one (21) parks were sanctioned at the cost of Rs. 134.11 crore in October 2012, in the following States;- Andhra Pradesh (2), Gujarat (1), Himachal Pradesh (1), J&K (1), Karnataka (1), Maharashtra (6), Rajasthan (4), Tamil Nadu (2), Tripura (1), Uttar Pradesh(1), West Bengal (1).⁴⁸

The Integrated Skill Development Scheme (ISDS)

This is a programme funded by the GoI and implemented by the Ministry of Textiles in order to meet the needs of the industry for a skilled workforce. It is part of the

⁴¹ IBEF (2015)

⁴² Ministry of Textiles (2015: 3)

⁴³ GIM (2015: 10)

⁴⁴ GIM (2015: 10)

⁴⁵ Ministry of Textiles (2015: 9)

⁴⁶ Ministry of Textiles (2015: 23-24)

⁴⁷ GIM (2015)

⁴⁸ Ministry of Textiles (2015: 23-24)

broader mission of the GoI to develop and enhance the skill base among the unemployed and increase the competitiveness of India's manufacturing sector. Under the 12th Five Year Plan (2012-2017), the scheme has been expanded with an allocation of Rs. 1900 crore to train 15 lakh (1.5 million) people. The Ministry of Textiles has trained 3.75 lakh youth in textile trades, particularly the garments segment, under the ISDS. It is planning to expand further through the public-private partnership mode.⁴⁹ The Ministry has selected SIMA as a Lead Implementing Agency in the textile industry, and about 10,000 workers are expected to be trained in the spinning and weaving segments under the SIMA-ISDS programme over a period of five years from 2012. The SIMA master trainers and mill worker teachers/trainers will conduct on-the-job training for batches of 25 to 30 fresh workers in each department. The training will be over four months for spinning and over three months for pre- and post-spinning processes. The trainees will be assessed by an external agency and receive certificates of completion at the end.⁵⁰

The Technology Upgradation Fund Scheme (TUFS)

The GoI provides credit at reduced rates to entrepreneurs in the organised and unorganised sectors to modernize and upgrade the technology applied in targeted segments of the textile industry. TUFS is intended to help in the transition from a quota-restricted⁵¹ to market-driven global textile trade by infusing an investment climate in the Indian industry.⁵² A total of US\$ 43 billion were sanctioned under TUFS up to June 2010, and an additional US\$ 2.9 billion has been allocated under the 12th Five Year Plan.⁵³ The scheme has been renewed and scaled up twice, currently known as the Revised Restructured TUFS (R-TUFS) with effect from April 2013 to March 2017.

⁴⁹ Ministry of Textiles (2015: 5, 9)

⁵⁰ SIMA (2013)

⁵¹ Since 1974, the textile industry has been dominated by the Multifibre Arrangement (MFA) which restricted imports in the form of quotas from the Global South to the Global North. It was removed on 1st January, 2005.

⁵² Ministry of Textiles (2015: 20-21)

⁵³ GIM (2015: 10)

Table 5: Subsidies approved under the R-TUFS⁵⁴

| Category | No. of Application | Project Cost | Sanctioned Loan Amount | Loan under TUFS | CAP for Project Cost | Subsidy for full tenure of Loan | CAP for Subsidy Amount | Subsidy Claimed | |
|-------------------|--------------------|---------------|------------------------|-----------------|----------------------|---------------------------------|------------------------|---------------------|--------------|
| | | | | | | | | No. of Applications | Amount |
| <u>Spinning</u> | 282 | 9,643 | 5,965 | 5,415 | 12,194 | 1,090 | 210 | 272 | 358 |
| <u>Weaving</u> | 945 | 3,557 | 2,648 | 2,519 | 6,097 | 710 | 225 | 844 | 266 |
| <u>Processing</u> | 507 | 4,841 | 2,367 | 2,240 | 9,849 | 651 | 424 | 473 | 279 |
| <u>Garmenting</u> | 583 | 1,086 | 692 | 637 | 3,752 | 174 | 200 | 555 | 94 |
| <u>Others</u> | 1641 | 18,442 | 10,256 | 9,390 | 15,008 | 2,497 | 799 | 1571 | 972 |
| Total | 3958 | 37,568 | 21,929 | 20,201 | 46,900 | 5,121 | 1,858 | 3715 | 1,970 |

Under the RTUFS, the cost of manufacturing major machinery for technical textiles can be reimbursed at five per cent interest and a 10 per cent capital subsidy in addition to 5 per cent interest reimbursement to the specified technical textile machinery.⁵⁵

Besides the three special schemes of the GoI discussed above, there are several initiatives that support the textile industry. In order to promote domestic research and development (R&D) and export of technical textiles, the Ministry of Textiles launched the Technology Mission on Technical Textiles (TMTT) with a dedicated budget of Rs. 200 crore (USD 30.1 million) to set up eight globally competitive testing facilities over five years between 2010 and 2015.⁵⁶ A new draft National Textiles Policy has been circulated for comments and suggestions from industry stakeholders. According to GoI officials, the policy is intended to generate 35 million new jobs through higher investments by foreign companies.⁵⁷

The GoI offers the industry several tax breaks and financial subsidies, such as zero excise duty for the cotton and man-made yarn production sector, including the fabric and garment states. It also offers a reduction in duty from 7.5 percent to 5.0 percent for imported textile machinery and parts.⁵⁸

In a move to ease pressure and boost exports, the Commerce Ministry announced an amendment to the Merchandise Exports from India Scheme (MEIS) that makes all textile fabrics (cotton, blended and man-made fibres) eligible for a two percent benefit if exported to a country in all the government's categories.⁵⁹ The Ministry has also introduced and implemented several export promotion measures such as

⁵⁴ Information current on 9 February, 2015; Money in Indian Rupees in crores; Source: Ministry of Textiles (2015: 21)

⁵⁵ IBEF (2015)

⁵⁶ IBEF (2015)

⁵⁷ IBEF (2015)

⁵⁸ GIM (2015: 10)

⁵⁹ PTI (2015)

the Focus Market Scheme, the Focus Product Scheme, the Market Linked Focus Product Scheme, the Market Access Initiative Scheme, and the Market Development Assistance Scheme, to focus on particular products, countries and promotion activities.⁶⁰

The major machinery for production of technical textiles receives a concessional customs duty list of five percent. Additionally, a proposal is pending for faster customs clearance of import and export cargo through 24-hour clearance facility at 13 airports and 14 ports.

1.3. Business Associations' perspective

A crucial component of industrial associations' remit is to represent the industry's interests and lobby the government on behalf of the industry. Four textile industry associations that have a prominent presence in South India are: the Tamil Nadu Spinning Mills Association (TASMA), the Confederation of Indian Textile Industry (CITI), the Cotton Textiles Export Promotion Council (TEXPROCIL) and the South India Mills Association (SIMA).

TASMA was founded in 1997 and currently has 566 member firms spread across the state.⁶¹ It is affiliated with the Employers' Federation of South India (EFSI), the Tamil Nadu Chamber of Commerce and Industry, the Open Access User Association and the Coimbatore District Small Scale Industries Association (CODISSIA).⁶²

CITI began in 1958 as a cotton mills' federation and in 2005, broadened its membership base to represent the entire textile sector as an apex industrial business chamber.⁶³ It has 15 business associations as members.

Since its establishment in 1954, TEXPROCIL has been "the international face of Indian cotton."⁶⁴ With over 3000 members, TEXPROCIL plays an important role in facilitating interaction between international buyers and appropriate suppliers. Founded in 1933, SIMA is the oldest textile business association that covers the entire value chain. It restricts its membership to manufacturing units that have an installed capacity of 6000 spindles or more or an annual turnover of Rs. 10 crore,⁶⁵ and therefore, it represents the largest textile companies in the country. With its biggest membership base in Tamil Nadu consisting of 324 mills, in comparison to its second highest of 77 mills in Andhra Pradesh,⁶⁶ SIMA has a powerful voice of intervention over policies that affect the industry in Tamil Nadu.

These industry associations, among others, are most active in advocating for government commitment to further lower labour protection while increasing

⁶⁰ IBEF (2015)

⁶¹ Source: http://www.tasma.in/tasma_members.php (5 January, 2016)

⁶² Source: <http://www.tasma.in/about.php> (5 January, 2016)

⁶³ Source: <http://www.citiindia.com/about-citi.html> (5 January, 2016)

⁶⁴ Source: <http://www.texprocil.org/about-texprocil> (5 January, 2016)

⁶⁵ Source: http://www.simamills.org/index.php?option=com_content&view=article&id=91&Itemid=173 (5 January, 2016).

⁶⁶ Source: http://www.simamills.org/index.php?option=com_content&view=article&id=91&Itemid=173 (5 January, 2016)

subsidies and tax incentives in the textile manufacturing sector. When the Ministry of Textiles solicited industry perspectives on the draft National Policy on Textiles 2013 that was to replace the National Policy 2000, CITI's stated its position in the following words: "It is more important to facilitate growth by removing hurdles than by providing incentives. The industry has inherent strength to grow if a predictable and conducive policy environment can be provided."⁶⁷ A central "hurdle" that the CITI sees is labour legislation. As the first point in its 14 point recommendation list to the GoI for the Policy 2013, the CITI states:

*"Labour laws should be liberalised in order to facilitate scaling up of operations, especially in the garments and home textiles segments. Working beyond 48 hours a week, deploying women in night shifts and fixed time employment are beneficial to both employers and employees. Employment in the textiles sector should be linked with the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) in order to facilitate the industry to mobilise workers and to contribute to the success of the Scheme. Industry would pay them regular wages and government can reimburse at the rates stipulated under the scheme. This would provide for more productive, remunerative and longer employment and development of productive skills by the workers that they can profitably use later."*⁶⁸

Besides offering more labour flexibility to industry, the CITI proposes that, in the spirit of public interest and development that the MNREGA embodies, the state indirectly bears the labour costs for private companies.⁶⁹

As part of its lobbying efforts, TEXPROCIL, the cotton textiles export promotion council presents the following information about the import duties companies from India are liable to pay for entry into the EU, Chinese and Canadian markets in comparison to companies from other countries in South and Southeast Asia.

⁶⁷ CITI (2014: 36)

⁶⁸ CITI (2014: 47-48)

⁶⁹ The MNREGA guarantees 100 days of paid work per year for one member of every rural household that falls below the poverty level. Wages for these workers comes from public funds and the work they do has to be in the 'public interest' such as construction of wells or irrigation systems. There is ample evidence that, despite some pitfalls, the scheme has had a positive impact on poor rural households. It is ironic that the CITI believes that the textile industry fits the category of employment in the public interest and finds that the government ought to pay workers under this scheme.

Table 6: India's Import Duties in Three Markets

| | EU | | | China | | | Canada | | |
|--------------|-----------|----------|---------------------|--------------|------------|---------------------|---------------|----------|---------------------|
| | Yarn | Fabrics | Madeups /Garment | Yarn | Fabrics | Madeups /Garment | Yarn | Fabrics | Madeups /Garment |
| India | 4 | 8 | 12 | 3.5 | 8.5 | 14 | 2 | 2 | 17.5 |
| Pakistan | 0 | 0 | 0 | 3.5 | 0 | 0 | 2 | 2 | 17.5 |
| Bangladesh | 0 | 0 | 0 | 3.5 | 8.5 | 14 | 0 | 0 | 0 |
| Cambodia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vietnam | 4 | 8 | 12 | 0 | 0 | 0 | 2 | 2 | 17.5 |

Through the table, TEXPROCIL shows that India pays higher duties than the others for most items, and seeks to boost its position for government support.⁷⁰ TEXPROCIL has appealed to the Ministry of Commerce and Industry to extend more benefits to the textiles sector under the new Foreign Trade Policy, claiming that “the sector creates several times more employment per rupee of exports than most manufactured goods.”⁷¹ TEXPROCIL asks that the government control the price of cotton “at equal or less than International prices” so that it has “a level playing field in tariff barriers” vis-a-vis other countries, particularly Vietnam which has international rates of cotton and zero tariffs for entry into China, as shown in the table above.⁷²

⁷⁰ Texprocil (2014b)

⁷¹ Texprocil (2014a)

⁷² Texprocil (2014b)

Chapter 2: Industry and Labour in Tamil Nadu

Tamil Nadu has been at the centre of the phenomenal industrial surge that the textile and garments industry has experienced during the last two decades. Cost, quality and speed of delivery to markets are the principles that shape textile and garment production, and these in turn have major implications for the conditions under which workers are employed. This chapter analyses the industry structure and labour conditions in Tamil Nadu. It is based primarily on the findings of a study conducted by Social Awareness and Voluntary Action (SAVE), a NGO based in Tirupur, among 1990 camp labourers who have worked at 373 spinning mills in six districts - Dindigul, Erode, Trichy, Tirupur, Karur and Coimbatore.⁷³ The analysis is complemented by press coverage, focus group discussions with workers, and interviews with business associations and government officials by the author of this study.

2.1 Tamil Nadu's importance for India's textile industry

Tamil Nadu is India's most important hub of textile production in terms of production capacity, output and workforce. The Table below illustrates the significance of Tamil Nadu's textile industry on the national scale.

Table 7: Profile of the Textile Industry in Tamil Nadu 2013-2014⁷⁴

| | All India | Tamil Nadu |
|--|-----------|--------------|
| ORGANISED TEXTILE MILLS | | |
| No. of Spinning mills | 1757 | 918 (52%) |
| No. of Composite mills | 197 | 44 (22%) |
| No. of exclusively Weaving mills | 174 | 19 (11%) |
| Total no. of mills | 2128 | 981 (46%) |
| Installed capacity | | |
| * Spindles (million) | 44.47 | 18.56 (42%) |
| * Rotors (lakh) | 5.53 | 1.74 (31%) |
| * Looms (thousands) | 51.3 | 4.39 (8.5%) |
| * Composite & excl. Weaving (thousands) | 66.2 | 5.46 (8.2%) |
| SMALL SCALE SPINNING MILLS | | |
| No. of spinning mills | 1313 | 1005 (76.5%) |
| Installed capacity | | |
| * Spindles (million) | 4.99 | 4.26 (85.4%) |
| * Rotors (lakh) | 2.61 | 1.33 (50.9%) |
| WORKFORCE (100,000) | | |
| No. of workers (SSI + non-SSI)⁷⁵ (lakhs) | 9.16 | 2.66 (29%) |

⁷³ The findings of the SAVE study correspond to recent studies, eg. ASK (2015: 14 – 18); FNV and ICN (2014); and SOMO (2014).

⁷⁴ Government of Tamil Nadu (2015: 146)

According to the figures above, over 40 percent of the country's spinning capacity is in Tamil Nadu and close to 30 percent of the textile workforce in India can be found in Tamil Nadu. There are 3267 large, medium and small spinning mills in India, (1757 spinning mills +197 composite mills in the formal sector and 1313 spinning mills in the informal sector) of which (918 +44 + 1,005) 1967 (60 percent) are located in Tamil Nadu. In other words, over half the organised sector spinning mills plus 22% of the composite mills and nearly 77 percent of the small-scale spinning mills in the country are based in Tamil Nadu. Spinning mills are concentrated in at least 18 of the 32 districts of Tamil Nadu. They are: Tirupur, Coimbatore, Erode, Dindigul, Dharmapuri, Salem, Karur, Trichy, Thiruvannamalai, Vellore, Ariyalur, Tuticorin, Sivaganagai, Madurai, Theni, Viruthunagar, Thirunelveli and Nammakkal. According to the government figures above, the 1,986 mills in Tamil Nadu had 266,000 workers in 2013-2014. In contrast, SOMO (2014: 14) reports that there were about 400,000 workers engaged in 1,570 spinning mills surveyed in the same year. It is extremely difficult to ascertain the true scale of production and current employment figures without dedicating statistical expertise exclusively to the project. It is possible that the government figures are an undercount for reasons discussed in Section 3.1. A critical point to note is that the inaccuracy in production and employment figures does not allow a proper assessment of the magnitude of the problem of camp labour, and can lead to distorted policy decisions. This is a point that is addressed in the recommendations at the end.

A representative of TEXPROCIL estimated that 95 percent of the cotton used in Tamil Nadu comes from Gujarat, Maharashtra and Madhya Pradesh.⁷⁶ Of the cotton processed into yarn and textiles in Tamil Nadu, about 40 percent is sent to Maharashtra and north India, 30 percent is exported and the remaining 30 percent is consumed in Tamil Nadu. Cotton yarn spun in Tamil Nadu is exported to Bangladesh and Sri Lanka where it is further processed for the European and North American markets.

Tamil Nadu is shaped by policies that the local state and national governments enact in support of the textile and garment industry. Tamil Nadu produces 39 percent of India's total cotton textile output. Governmental intervention to boost the development of the industry is especially remarkable in particular parts of the state such as Tirupur and Coimbatore. Tirupur is India's largest cotton knitwear cluster responsible for producing about 90 percent of the country's exports in this sub-sector that is worth approximately US\$ 1400 million.⁷⁷

Tamil Nadu's Industrial guidance and Export Promotion Bureau of the state Industries Department has been actively promoting textile parks under three different schemes: (a) the Apparel Park for Exports Scheme (APES); (b) the Textile

⁷⁵ In small scale industries (SSI) and other units

⁷⁶ Interview, 5 December, 2015

⁷⁷ GIM (2015)

Center Infrastructure Development Scheme (TCIDS); and (3) the Scheme for Integrated Textile Parks (SITP). The Table below lists the parks that have a total investment of Rs. 774.41 crores.⁷⁸

Table 8: Textile Parks in Tamil Nadu

| S.No. | Name of the Project | Project Cost (Rs. in Crore) | Year of Sanction | Direct Employment Generation (No. of Persons) | Indirect Employment (No. of Persons) | Date of Completion |
|---|--|-----------------------------|------------------|---|--------------------------------------|---|
| Apparel Park for Exports Scheme (APES) | | | | | | |
| 1 | Netaji Apparel Park, Tiruppur | 17.62 | 2002 | 7000 | 9000 | Completed |
| 2 | Apparel Park at Irungattu kottai | 26.70 | 2004 | 10000 | 10000 | Completed Production |
| Textile Center Infrastructure Development Scheme (TCIDS) | | | | | | |
| 3 | Kancheepuram | 21.81 | 2004 | Infrastructure Development | | Completed (Except CEPT) |
| 4 | Windmill Project for TEKIC, Tiruppur | 25.00 | 2003 | Wind Power Generation | | Completed |
| 5 | Cauvery Hi-Tech Weaving Park, Kumarapalayam | 33.32 | 2005 | 1200 | 15000 | Completed Production |
| 6 | Hi-Tech Weaving Park at Palladam | 55.42 | 2005 | 2500 | 3500 | Completed and Commenced Production |
| 7 | Hi-Tech Weaving Park at Kumarapalayam | 34.82 | 2006 | 1500 | 1500 | |
| 8 | Integrated Textile Park at Chengapalli, Erode District | 149.45 | 2006 | 5000 | 7500 | October 2009 |
| 9 | SIMA Processing Park at Cuddalore | 112.60 | 2007 | 5000 | 15000 | October 2009 |
| 10 | Integrated Textile Park at Madurai | 87.86 | 2007 | 3000 | 4000 | October 2009 |
| 11 | Integrated Textile Park at Karur | 90.68 | 2007 | 3000 | 4000 | October 2009 |
| 12 | Hi-Tech Weaving Park at Erode | 63.02 | - | 2300 | 4000 | Revised Proposal sent to Gol for Approval |
| 13 | Vaigai Hi-Tech Weaving Park, Andipatti | 56.11 | - | 2580 | 15000 | |
| Total | | 774.41 | | 43080 | 88500 | |

In addition to these parks, the South India Mills Association (SIMA) and SIPCOT are building a textile processing park in Cuddalore with an investment of Rs. 450 crores.

Tamil Nadu's industrial progress is a harbinger of industrial health elsewhere in the country. The next section explores working conditions in the textile mills and factories in Tamil Nadu.

⁷⁸ GIM (2015)

2.2 Working for Fashion: bonded labour, forced labour, child labour

Since the media exposure of the Sumangali scheme,⁷⁹ the term ‘Sumangali’ has almost disappeared from everyday usage in the industry. Instead, there are different terms used to describe the forms of employment relations that have substituted the now outmoded form of secure, open-ended formal employer-employee relationship. Reliable quantitative data on the number of workers engaged under a Sumangali-type scheme is very rare but a 2007 report by the Chief Inspector of Factories presented the following figures for a “camp coolie system” of employment in the textile industry:⁸⁰

Table 9: Number of Mills and workers under the Camp Labour System

| Place | Total No. Of Mills | Number of Mills engaging camp workers | Number of Camp Workers |
|--------------|--------------------|--|---------------------------|
| Erode | 185 | 73 | 7810 |
| Coimbatore | 1041 | 291 | 21,599 |
| Dindigul | 145 | 42 | 9,052 |
| TOTAL | 1371 | 406 (29.6%) | 38.461 |

According to the table above, nearly 30 percent of the 1371 mills investigated by the Inspectorate of Factories in three districts engaged camp workers. Following this report, the state government filed an affidavit in 2007 the Madras High Court recognising that 38.461 girls were employed under the various versions of scheme, or as camp labour in 406 textile mills. The extent to which camp labour is currently employed in the mills in Tamil Nadu can be disputed since accurate and time-specific figures are rare. However, workers’ accounts and even incomplete government data prove the existence of a grave problem of labour exploitation. Assuming that 30 percent of workers are camp labourer this would mean 80,000 camp labourers according to government figures (266,000 workers) or 120,000 camp labourers according to NGO estimates of 400,000 workers. Based upon estimations by NGOs on the scale of the problem, ASK (2015: 16) concludes that “a very rough estimate of 100,000 workers in conditions of modern slavery would be conservative.”

In interviews with the author of this study in December 2015, industry representatives and government officials denied the existence of ‘bonded labour.’ When asked about the precarious state of employment and current use of bonded labour, one government official acknowledged that the divide in the garments sector is 75 percent contract labour and 25 percent regular workers; in the spinning sector

⁷⁹ See for example, Venkat (2007)

⁸⁰ Source: <http://indiankanoon.org/doc/1102952> (retrieved 21 September, 2015).

it was 50-50 and in the weaving sector, it was 100 percent daily wagers with absolutely no further responsibility on the part of the mill management and owners toward the workers. He explained: “The workers come from everywhere and the factories provide them housing, food and all for free. How can you call them bonded labour?” By this, he implied that workers are ‘bonded’ or forced labour only if they did not receive anything from the mill or had to pay for their meals and accommodation, which in fact some workers do. Instead, he recommended the use of the euphemism, ‘long term labour.’ Another government representative implied that if workers are not chained in the workplace, they cannot be considered ‘forced’ labour.

Legal definitions and interpretations are important in order to determine the best form of intervention and demand the maximum compensation for survivors. Community activists point out that loopholes in the laws make registering legal cases very difficult. The primary laws that apply to textile workers extend beyond employment to civic and human rights on the basis of caste oppression. The Bonded Labour System (Abolition) Act, 1976 was enacted to prevent the economic and physical exploitation of people from vulnerable communities. The defining characteristic of the illegal bonded labour system is “service arising out of loan/debt/advance” payment, accompanied by denial of choice of alternative employment, or freedom of movement.⁸¹ A person who is rescued from bondage is no longer considered to be indebted and will receive a compensatory grant of Rs. 20,000 in support of her/his rehabilitation. Anyone found to be guilty of engaging bonded labour can be imprisoned for up to three years and be liable for a maximum fine of Rs. 2,000.

As the Bonded Labour Act defines bonded labour as work that is performed in exchange for money that has been paid in advance, the timing of the workers’ payment becomes a critical feature in discerning culpability. The SAVE study found that none of the workers had received an advance payment from recruitment agents or management; 62 percent received advance travel costs to the mill or factory from the brokers. Plus, 11 percent had received advance payment to contribute to their sisters’ weddings or to address the needs of sick family members once they had already started working in the mills. The absence of advance payment means that the camp labour system cannot always be proven as ‘bonded’ labour. Workers refer to as simply “scheme” work, while some NGOs prefer to call it ‘camp labour’ system. This is a post-payment labour arrangement by which workers are recruited to work for a set period of time, most commonly three years, at the end of which they are paid. During their work tenure at the mills, they are provided accommodation in hostels, the nature of which lends the term ‘camp’ labour (discussed in more detail later).

Closely related to bonded labour is human trafficking, which frames some textile workers’ situation and is addressed by Section 370 of the Indian Penal Code. Under

⁸¹ http://pblabour.gov.in/pdf/rti/rti_chapter18.pdf

Section 370, anyone found guilty of importing or exporting, buying or selling and receiving or detaining people against their will can be imprisoned for a maximum of seven years and will be liable to a fine.⁸² However, the “uneven enforcement of trafficking laws and alleged official complicity” are still serious concerns.⁸³ Although Section 370 was amended in 2013 to correspond more closely to the United Nations (UN) Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (UN Trafficking Protocol), it still leaves open some gaps that make enforcement a challenge.⁸⁴ For example, it excludes forced labour, discussed below, from its purview.

In addition to national law, India ratified the International Labour Organisation’s (ILO) Forced Labour Convention 1930 (No. 29) in 1954 which defines forced or compulsory labour as: “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself [sic] voluntarily.”⁸⁵ The camp labour scheme cannot strictly be considered forced labour because the workers arrive at the mills and factories voluntarily, while the involuntary nature of their work hours and their inability to resign or change jobs remain hidden. The ILO convention demands governments to take action against the use of forced labour and the conditions that make it possible. One possible intervention relates to the conditions of the hostels, which make the workers available for round-the-clock shift work and severely restrict their movements, making it difficult for them to leave or find a new job (see the box below).

Box 1: A case of child labour and forced labour?⁸⁶

A 15 year old Dalit girl was freed from a spinning mill in Erode District by sympathetic people in September 2015 when she made a 2nd attempt to escape from what she describes as the “gates of hell.” The girl had arrived at the mill with high hopes of supporting her family but found that she could not cope with the strenuous work load during the regular shift from 5 a.m. to 3 p.m. She was brutally attacked when she requested to be allowed to return home. The mill management had refused to let her leave unless she found another worker to replace her and continued to hold her as forced labour even when her grandmother rushed to substitute for her. After her escape, her father filed a case against the mill under the Protection of Children from Sexual Offences (POCSO) Act, 2012 at the local All Woman Police Station. Additional charges could be filed under the Scheduled Caste and Schedule Tribe Prevention of Atrocities Act, 1989 and the Forced Labour Act, discussed earlier.

⁸² <http://www.indianlawcases.com/Act-Indian.Penal.Code,1860-1826>

⁸³ DoS (2012)

⁸⁴ Rhoten (2015)

⁸⁵

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312174 (retrieved 2 November, 2015)

⁸⁶ Special Correspondent (2015)

The Protocol to the Forced Labour Convention (2014), that India has not yet ratified, states that bad living conditions may be an indicator of forced labour.⁸⁷ Furthermore, a Supreme Court ruling in the 1982 Asiad labour case expands the definition of forced and bonded labour to workers who are not paid the prevailing minimum wage.⁸⁸

Although there are multiple forms of employment used in factories and mills in Tamil Nadu, it is clear that regular, permanent employment is rare in the spinning mills. Instead, precarious forms of employment predominate, of which camp labour is the most common. There are clear features that distinguish 'camp' labour as the predominant system. 'Camp' labour refers to hostel-accommodated girls and women workers who typically have no proof of employment, do not receive a regular, statutory minimum wage, have little freedom of movement, do involuntary or forced labour, and receive no social security benefits such as PF and ESI. Any variety in these conditions, particularly pertaining to the mode of payment and working hours, need to be considered on a case by case basis in order to apply the appropriate laws being violated.

Employment relations in mills need to be scrutinised and remedied, when needed, according to both national labour legislation and core international labour standards. In case these conflict with each other, the higher standard must supersede the other.⁸⁹

2.3 Dead-end jobs?

Whatever the nomenclature for the type of employment that prevails in the textile and garment industry, the key question is: why are the workers who are trained and have on-the-job experience replaced by new, younger, raw workers instead of being retained in the mills and factories? Every year girls as young as 12 years and young women are recruited by agents to work in the textile and garments industry. Families that suffer from crushing poverty and caste-based exploitation are easily convinced of the merits of employment for their daughters whose marriage related expenses form the chief financial burden in a patriarchal society. In theory, the ability of young women to earn and save for their own life expenses can be liberating, and the industrial sector presents an attractive alternative to hard, manual farm-work in sweltering heat. Working and living away from home also can give young girls an exposure to life outside the rural confines of their upbringing and can expand their horizons through interaction with people from other places. For

⁸⁷ http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_321414.pdf (retrieved 2 November, 2015)

⁸⁸ See [http://www.pudr.org/sites/default/files/pdfs/Ramantham_2010_PUDR_paper\].pdf](http://www.pudr.org/sites/default/files/pdfs/Ramantham_2010_PUDR_paper].pdf) specifically page 3 and http://stophumantrafficking-mha.nic.in/writereaddata/PUDR_vs_Union_of_India%201982.pdf for more details on this judgment. Thanks to Mr. Prithviraj S. for drawing attention to this case.

⁸⁹ FWF (2015)

these reasons, the textile and garment industry can be seen as a catalyst for rural women's empowerment. Reality, however, looks different.

Age of workers

SAVE has found that 23 percent of the workers were between 12 and 14 years of age and 62.7 percent were between 15 and 17 years old when they first started working in the textile industry. This means that over 85 percent of the workers interviewed started work in the industry below the age of 18 years. This figure is corroborated by another community organisation, which found that, out of a workforce of 260,000, 187,000 (72 percent) were girls between the ages of 13 and 18 years.⁹⁰ The remaining was between 18 and 25 years. The ILO Convention 182 on the Worst forms of Child Labour 1999 defines 'child labour' as anyone below the age of 18 years.⁹¹ By implication, child labour sustains Tamil Nadu's textile and garment industry. Each year, 90,000 workers complete their tenure in the industry and are replaced by a fresh batch of young girls recruited from rural hinterlands.⁹²

Box 2: Migrant Child Labour

Arul is a 13 year old girl from Orissa who has studied up to the 6th Standard. She is the only one in her family who can speak Tamil. So she is the family's only intermediary with the local people. She began working in the coning department of a mill about six months ago. Once, her hair got caught in a machine and she needed medical treatment that the mill owner paid for. Due to the accident, she could not work for a month. When she was ready to work again, she got a job in a packing company and earns a daily wage of Rs. 150 (€2.08). As she is a sharp learner and interested in everything, she is familiar with all the production processes like weaving, coning, spinning and so on.

Arul has a younger sister who is not officially enrolled but goes to school to study in the 5th Standard. Since her sister is not on the attendance roll, she did not get any books. So Arul had to meet the Headmaster to request books for her sister. Arul's parents are not interested in learning Tamil, and want Arul to study further but Arul is not interested in studies. She is learning how to stitch clothes at an NGO-run skills centre, and in her free time, acts as a translator for Hindi-speaking people who do not speak Tamil.

⁹⁰ CARE-T (2015)

⁹¹ http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182. The national Child Labour (Prohibition and Regulation) Act, 1986 in India prohibits the engagement of children under the age of fourteen in certain occupations and regulates the conditions of work of children in certain other occupations. See: http://pblabour.gov.in/pdf/rti/rti_chapter18.pdf (retrieved 2 November, 2015).

⁹² CARE-T (2015)

Migrant workers from lower castes

About 88 percent of the textile workers are migrants from other parts of Tamil Nadu and 12 percent are migrants from other states such as Andhra Pradesh, Telangana, Kerala, Karnataka, Odisha, Jharkhand, Bihar, West Bengal, Assam, Meghalaya, Mizoram, and Manipur.⁹³ The ratio of internal to external migrant labour varies from district to district. For example, a community leader in Erode estimates that 15 to 20 percent of the workforce in the district is from north India. The migrant workers come from villages that have been hard-hit by drought, devastated by mining, or they are small-scale, seasonal farm labourers displaced by the massive land conversion sweeping the country in the name of development. A majority of them belong to state-recognised ‘backward castes’ and tribes that merit government support to reverse the damage of historical oppression. They include Dalits (‘the oppressed’ in relation to the caste system) specifically from among the six million Arundhatiars in western Tamil Nadu who are considered ‘Dalit among Dalits.’⁹⁴ Besides poverty, which is the chief push factor that drives over 80 percent of the migrants toward employment in the textile industry, the second major cause of migrant child labour is the lack of awareness about the possibilities and the means to invest in children’s education.⁹⁵ According to a community worker, very few of the Adivasi (original peoples) villagers go to school,⁹⁶ but family circumstances can also prevent children from completing their education.

Box 3: The Difference Education makes

Twenty-four year old Bhuvana is a native of Thirunelveli who migrated with her family to Coimbatore. She lives with her mother and two younger sisters. While her youngest sister and she were studying in the 7th and 9th Std., respectively, in Vellore district, her father suffered a heavy financial loss in his business. After selling their land and other assets to clear her father’s debt, they moved to Chennai. She was forced to stop her education even though she wanted to study further. She lodged a complaint at the police station about her parents stopping her education but did not succeed in getting back to school. She and her youngest sister got jobs in a retail store. After about six months, her family moved to Tirupur as they had relatives there.

She and her sister started working at a garment company as “cutters,” earning Rs. 35 a day. She was 14 years old at the time and her sister about 12 years. Within two years, she was promoted as a “Supervisor”. After working continuously for six years in the same garment factory, she received a monthly salary of Rs. 8,500. She resigned from this job because her youngest sister got admitted into Coimbatore Engineering college and the family moved to Coimbatore to allow her sister to continue her studies. In Coimbatore, Bhuvana started working in a garment factory

⁹³ CARE-T (2015)

⁹⁴ READ (2015)

⁹⁵ SAVE (2014)

⁹⁶ Interview, 27 August, 2015

as a supervisor. After a ten year gap from school, she completed the 10th in 2014. It was only after that when she was promoted as a quality controller in that company because she is a good worker and had educational qualifications. She wants to do a diploma in textiles.

Bhuvana's mother, who used to work as a spinner, has cancer. Her father is an alcoholic and works as a security guard in Chennai. Although he supports himself, he does not contribute to the family. Bhuvana never talks with her father. One of her younger sisters is working in a garment factory as a tailor. The second sister has been suffering from psychological problems as she feels the family depends upon her to stay afloat economically. She attempted suicide last year but has completed B. Tech. and works in a small shop as an accountant.

The demographic profile of workers, described above by age, caste, rural roots, and levels of illiteracy, make them especially vulnerable to being cheated and abused in industrial employment. They arrive with high hopes of attractive job prospects and promises of "three meals a day, air conditioning, swimming pool, and free movies," as the SAVE study found. Their experience of work in the mills and factories is far from the idyllic image that is projected by agents to girls and families that aspire to prepare for a financially secure future.

No proof of employment

None of the workers had received an appointment letter and less than six percent, on average, had received an identity card that they had to relinquish, however, when they left the company grounds. The percentage of workers who had received identity cards varied from two to 18 percent from district to district. Most of the workers, about 87 percent, had not received a pay-slip and the others had seen the pay-clip but did not receive a copy in hand. Without proof of employment through an appointment letter, identity card, or pay-slips, workers are unable to seek recourse of the law in order to claim their entitlements. Typically, they have not had to sign any attendance registers or muster rolls, and are totally off-the-records. This makes it harder to file grievances with the governmental authorities to demand back-wages or claim social security deductions.

Worker payment

As discussed in the previous section, a defining characteristic of the camp labour scheme, by any other name, is the rate and mode of wage payment. Most 'scheme' workers, or 94 percent of the workers interviewed by SAVE, were promised a lump sum payment at the end of a particular period of work at the mill or factory. Companies withhold regular payment through bank transfer from workers who are below the age of 18 years claiming that banks do not allow anyone who has not completed 18 to open an account in their own name. This does not explain why other

arrangements are not made to pay workers on time. It also raises questions about the employment of minors as the bulk of the industry's workforce.

Nevertheless, only nine percent of the workers received the full amount, while 69 percent of the workers did not receive the agreed amount and the rest received only partial payment. Workers revealed that the promised amount is often not paid on the basis of flimsy excuses and aspersions cast on the women's reputations. For example, one young woman who has worked at ten different mills explained that managers cut the payment by nearly half if the workers take two or more days off work during the 'scheme period' or that they need to work for an extra six months in order to recoup the rest of the payment. In some cases, the managers accused the girls of having fallen in love with some boys or done something along the same lines that was culturally unacceptable, and by implication, were morally corrupt; therefore, they were cutting their salaries as punishment.

Box 4: Manju, bonded to fashion?

Manju is from a place near Madurai. She came to Tirupur to work under the scheme for a period of three years after she completed the 5th Standard, at the age of 12 years. Upon completing the scheme period, she was paid Rs. 30,000 and the provident fund claim amounted to an additional Rs. 5,000. Soon after, she began working at another mill in Coimbatore where she earned more than in the previous job. Her sister, who did not attend school at all, worked in a mill in Tirupur for 3.5 years at a very young age before getting a job in Coimbatore. While working under the scheme in Tirupur, she took two days off and as a penalty, the mill owner gave her a much lower payment than what was promised.

Manju is now 21 years old. She shares a room provided by the mill owner with other women, including her sister, who works at the same mill as she does. The room is equipped with utensils and gas cylinders so that the women can cook for themselves. Manju is paid Rs. 250 per day and works six days a week. The owner allows the workers to work on Sunday as well as the girls want to earn more money.

In the mill, the girls are not allowed to sit while working from 7 am to 4 pm. If they sit, the supervisor comes and shouts at them in front of everyone. She has many health problems since she started working in mills. She suffers from stomach pain and white discharge during the whole month except during her menstrual period. She also has headaches for most of the days in a month and has lost weight.

Moreover, workers are usually paid a single amount in cash without any explanation of the rate of payment, hours and days considered for payment or the social security deductions, if any. SAVE found that more than 60 percent of the workers surveyed faced the problem of unpaid back-wages or delayed payment of wages. Between 62 to 94 percent of the workers in different districts of Tamil Nadu did not know what their pay rate was. About 69 to nearly 89 percent reported that they did not have a

training period and did not receive a wage for the first month. Instead, they were paid Rs. 70 (€ 0.97) to Rs. 100 (€ 1.39) per day for the first six months on the job.

None of the workers interviewed received the minimum wage according to the Minimum Wage Act 1948. Companies abuse the Apprenticeship Act 1961 to employ girls as apprentices for years and pay them 'stipends' far below the stipulated state apprentice minimum wage. Girls and young women who are employed under the scheme are typically paid approximately Rs. 30,000 to Rs. 50,000 at the end of their three-year work tenure. This amounts to a daily wage of Rs. 32 to Rs. 53.42, regardless of how many hours a day and days per week worked.⁹⁷ As discussed earlier, workers usually do overtime and double shifts, usually for seven days a week. A comparison of the lump sum payment system with the Minimum Wages Act 1948 revised specifically for apprentices in textile mills in 2013 is instructive. The minimum daily wage for apprentices in the current year 2015-2016 is Rs. 282.40 (€ 3.92),⁹⁸ to be multiplied by 30 to arrive at a monthly wage.⁹⁹ This means that the current monthly payment for an apprentice in a textile mill should be Rs. 8,472 (€113.52) in comparison to the maximum payment of Rs. 1,388.89 (€ 18.67) per month paid to camp labour.¹⁰⁰ Even though the workers wrongly considered apprentices for unreasonable periods of time, they are paid far below the legal wage for apprentices. Rather, they are eligible for the legal minimum wage for regular textile workers set on the basis of skill level and occupation.

Working hours

In violation of the Factories Act, 1948, nearly 80 percent did not get an hour break during a continuous eight-hour shift. Only 11 percent of the workers interviewed had worked the stipulated eight hour work-day. All the rest had worked overtime hours that amounted to a total of more than the 60 hours per week. Another 47 percent had worked two continuous shifts. First generation industrial workers lack awareness of the eight-hour working day mandated in the Factories Act and are led to believe that 12 hour shifts or more are normal. Moreover, SAVE found that none of the workers was aware of the overtime pay provision of the Factories Act that stipulates double wages for time over eight hours.

None of the workers received paid days off and only four percent of the 1990 workers had weekly holidays, contrary to the provisions of the Weekly Holidays Act, 1942. Those who were paid daily wages worked seven days a week since they wanted to

⁹⁷ The daily wage actually paid was calculated based on the lump sum amount of Rs. 30,000 to Rs. 50,000 for three years or Rs. 10,000 to Rs. 16,667 a year for about 312 work days.

⁹⁸ See <http://www.paycheck.in/main/salary/minimumwages/tamil-nadu>

⁹⁹ Government Order (2013)

¹⁰⁰ The monthly payment that camp labourers receive was calculated on the basis of the maximum reported lump sum received at the end of their typically three-year stint, i.e. Rs. 50,000 divided by 3 years for Rs. 16,666.66 per year, further divided by 12 months for Rs. Rs. 1,388.89.

earn as much money as possible during their tenure in the mills and factories; they do not get a paid day-off per week.

Health problems

A critical aspect of work in mills and factories is workers' occupational safety and health. The most common chronic health-related complaint that women workers had was white discharge and headaches that may be due to poor health and over-working. More alarmingly, several deaths in the workplace and hostels have raised questions about the possible causes. Information obtained from the state government through the Right to Information (RTI) revealed that 80 percent of workers' deaths were caused by shop-floor accidents due to fatigue; 15 percent were suicides due to emotional entanglements and five percent in response to sexual harassment.¹⁰¹ These figures challenge the popular perception that the young women workers commit suicide due to failed love affairs.¹⁰² Rather, workers' long work hours, sometimes double shifts, resulted in physical exhaustion. Combined with poor nutrition in the hostels, and possibly, lack of adequate training, workers become more prone to accidents on the shop-floor. According to the SAVE study, 59 to 91 percent of the workers interviewed had no knowledge of personal protective equipment, and six percent had experienced minor accidents on the shop-floor, ranging from falling down to dismemberment. They did not receive immediate medical attention and were accused of being careless. According to the Workmen's Compensation Act, 1923, the employer is liable for compensation for personal injuries that are caused to workers as they carry out their duties.¹⁰³ However, the provisions of the Act are not always followed, and workers have to seek medical attention on their own time and pay.

Lack of social security insurance and pension fund

Under the Employees' State Insurance (ESI) Act 1948, employers are required to enrol all the workers in their units and contribute to an "an integrated social security scheme tailored to provide social protection to workers and their dependants, in the organised sector, in contingencies, such as, sickness, maternity and death or disablement due to an employment injury or occupational hazard."¹⁰⁴ SAVE found that 77.7 percent did not know about the Employee State Insurance (ESI) and instead, ended up paying out of their meagre earnings for their own medical expenses. Similarly, under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, employers are required to make contributions to a provident fund (PF) in the names of those who work in their mills and factories,

¹⁰¹ Interview with NGO leader, 2 December, 2015.

¹⁰² This view was emphasized by a manager in an interview, 4 December 2015.

¹⁰³ See <http://ncw.nic.in/acts/TheWORKMENSCompensationAct1923.pdf> (retrieved 24 November, 2015)

¹⁰⁴ See <http://www.esic.in/webSPACE/web/guest/introduction-act> (retrieved 25 November, 2015)

even if the workers are engaged through third-party intermediaries.¹⁰⁵ Although PF is a critical part of the social protection that employment provides, camp workers are usually denied this entitlement in practice.

Verbal and physical abuse

An important aspect of a safe work environment is the treatment of workers. According to the SAVE study, 69 percent had experienced verbal abuse, that included being shouted at and berated, which was so common that the workers believed it was normal. Additionally, 13 percent of the workers had experienced some form of physical abuse ranging from having cones thrown at them to being shoved into bales of cotton. Despite the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013, which prohibits any behavior that could be construed as sexual harassment, six percent of the women workers had experienced physical contact and sexual advances at work. In addition to this, 23 percent had received demands or requests for sexual favours, and 11.6 percent had experienced other forms of sexual harassment from suggestive looks to unwanted touch.

Box 5: Cheated but Coping

Thangam started working in a mill in Coimbatore at the age of 12 years after she completed the 8th Standard. For the first year, she worked under the scheme with a total of 50 girls from Cuddalore District, where she is from. They lived together in the rooms and ate the food provided by the mill owner. She suffered a lot during that year.

Girls working under the scheme are not allowed to leave the premises. They are allowed to talk with their parents once a week from a landline in the mill. They are allowed to leave the premises once a month, accompanied by the hostel warden. If they want anything like snacks or medicines, they have to make a request and the warden gets the items for them.

Under the scheme, girls work 12 hours a day. If a worker makes a mistake, the supervisor shouts harshly at them in front of everyone. If they take leave for two or more days during the scheme period, they have to work more than six months after completing the scheme periods, otherwise they are not paid. Most of the mill owners do not pay the scheme amount to the girl but give excuses to avoid making the payment. For example, that the girl loves a boy, so she is not a good girl, or that she has exhibited improper behavior.

She left the last mill where she used to work because they did not pay her a bonus for the previous year. They closed the mill for ten days for Deepavali (Hindu festival). When they re-opened they were not ready to pay the bonus but soon, they

¹⁰⁵ See <http://www.epfobbs.gov.in/pdf/EPF%20and%20MP%20Act,%201952.pdf> (retrieved 25 November, 2015)

shut down the mill claiming bankruptcy without paying the workers anything. She was part of a delegation to the concerned person but since they did not give a satisfactory response about their back-wages and the bonus payment, she started working at another mill. However, she continues to live in the same room that was allotted to her by the previous mill owner as she feels safer there. She cannot go back to her parents' house because her marriage broke up and her sisters' husbands have threatened to desert her sisters if Thangam is allowed to return to her parents' place.

Thangam is now 20 years old and has some health problems like stomach pain, breathing problem, white discharge, loss of weight and hair loss since she started working in the mills. She does not want to study. She is currently working as a coolie in a mill and earns Rs. 250 a day.

The SAVE survey revealed that none of the workers knew about trade unions, workers' committees or internal complaints mechanisms, making the Freedom of Association (Trade union Act- Amendment 1964) an abstract workers' right.

2.4 Accommodation

Part of the job-related package that is promised to workers at the recruitment stage is accommodation close to the workplace that is safe and secure, something that families are keen to have for their daughters. In 2014-2015, a majority of the 260,000 girls and women working in the textiles and allied industries lived in hostels either on factory premises or controlled by factory management in Tamil Nadu.¹⁰⁶ Living in company-controlled accommodation makes the workers 'captive' to the working conditions discussed above, particularly the long intensive hours at slave wages and the inability to leave or change jobs. By implication, most of the workers living in hostels, which is a large proportion of the workforce, can be considered 'camp labour.' Hence, workers' living space needs to be understood as an extension of their labour conditions that deserve closer examination. One of the first things to note is that although meals and living quarters are promised free of cost to workers at the recruitment stage, and understood to be free by government representatives as well, SAVE survey respondents reported that 35 percent and 64 percent of them had their wages deducted for food and accommodation, respectively. Besides the gap between promise and delivery, other issues that emerge as problematic for workers is the mediocre quality and crowded nature of the hostels as well as the inadequacy of nutritive value of the food provided in them. Most importantly, workers have found their mobility and freedom of communicating with the world outside, including their families, severely restricted within the hostels. This curtailing of workers' mobility and communication is usually justified by management as a precautionary measure for the young women's own safety and security, and as a reassurance to their families.

¹⁰⁶ CARE-T (2015)

The Hostels Act

The Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014 emerged out of local advocacy by the Tirupur People's Forum (TPF), a coalition of more than forty non-governmental organisations, in light of the national and international press coverage about the Sumangali scheme, which exposed the sub-standard housing conditions of workers in the textile and garment industry. Under this Act, all hostels, lodging homes or homes for children and women are required to be registered and have a licence for a fee of Rupees three thousand (€42). The licence is renewable every three years by the Collector. The most salient factors of the Act are the appointment of a female manager and resident manager in accommodation facilities for women and children; the appointment of one manager or resident manager for every 50 residents; the presentation of a fitness certificate and vetting by the police for the manager, resident manager and security personnel; the maintenance of all the facilities, fixtures and fittings in "good repair, and clean and hygienic condition;"¹⁰⁷ separate buildings or rooms for girls and boys; among other measures to ensure the safety and security of women and children. A note-worthy feature of the Hostels Act is its definition of 'child' worker as a boy or a girl who has not completed the age of eighteen years.

In order to address the problem of labour shortage and assist industry, the government has recently approved the Scheme for Textile Industry Workers' Accommodation within the 12th Five Year Plan (2012-2017). Under the scheme, the Ministry of Textiles (GoI) has allocated Rs. 14 crore during 2014-2015 to promote the availability of "safe, adequate and conveniently located accommodation" for textile and garment workers in workers' hostels.¹⁰⁸ These hostels are located in the proximity of industrial clusters of factories and mills. Two such hostels were sanctioned in October 2014 for the Gujarat Eco-Textiles Park Pvt. Limited in Gujarat and the Palladam Hi-Tech Weaving Park Pvt. Limited in Tamil Nadu.¹⁰⁹ It is not clear whether the new housing constructions help subsidise a higher quality of life for workers or simply provide industry with a readily accessible pool of workers for around-the-clock production.

Private Sector Codes

Referring to the Hostels Act as "draconian," according to an NGO leader, the Southern India Mills' Association (SIMA) has sought exemption from it and the Rules 2015 by making a representation to government officials in Chennai on the 4th November, 2015 and once again, on the 1st December, 2015.¹¹⁰

¹⁰⁷ Government of Tamil Nadu (2014: 59)

¹⁰⁸ Ministry of Textiles (2015: 52)

¹⁰⁹ Ministry of Textiles (2015)

¹¹⁰ http://www.simamills.org/index.php?option=com_content&view=article&id=109&Itemid=197 (retrieved 1 December, 2015)

In 2010, SIMA collaborated with the German social audit and certification body, TÜV Rheinland, to develop its own “Recruitment Guidelines and Code of Discipline for Women Employment in Textile Industry.” Along similar lines, in 2011, the Tirupur Stakeholders Forum (TSF), comprising of the Tirupur Exporters Association (TEA), unions, NGOs and Brand Ethics Working Group, developed a document entitled “Guidance for migrant women workers in hostel and the recruitment process – spinning/garmenting factories.” These private sector codes, predate the statutory Hostels Act, and contain specifications concerning various aspects of employment and housing women workers, including: the recruitment and selection process; induction and training; legal compliance; compliance of Minimum Wages; hostel and hostel amenities; food and washing and cleaning; and welfare and entertainment facilities, as well as visiting privileges. A close analysis of the two codes will show that they are based primarily on existing legislation concerning the employment of women enumerated in one single code.

A comparison of the SIMA and TSF codes with the Hostels Act shows that the two private sector codes are comprehensive, covering a vast number of labour concerns. However, there are also many differences. The SIMA code takes a clear stand on the age of workers to be 18 and above, with some flexibility for qualified 17 year olds, whereas the TSF code leaves open to interpretation of the “legal age.” Despite differences, they both present detailed specifications on select work and hostel facilities such as the number and size of toilets, kitchen amenities, and so on. The SIMA and TSF codes demonstrate a sympathetic understanding of the problems that have raised strong criticism in the public eye but need to elucidate pending concerns such as: whether or not those under 18 should be asked to work the night shift; the duration of the induction, training and apprenticeship periods; and the size and number of occupants in one hostel room.

Given the standardised list of items that the code outlines, such as creche facilities, toilets and personal protective equipment, the monitoring process would be highly intensive, requiring companies to invest heavily into proving their fulfilment of the code. SMEs without the economies of scale of the larger units that are SIMA and TSF members may find the audits unmanageable. Additionally, the attention of both brands and the government may be drawn more often to the larger enterprises that are first tier producers of textiles, leaving undetected the violations that occur in second and third tier enterprises. The latter may produce for domestic markets and also may be surplus producers for global markets. Typically, the bargaining power of small second and third tier suppliers is limited vis-a-vis international brands that are the final clients. Their role in production is often obscured by contractual relations that remain hidden as proprietary information of the larger buyers. Yet, the chain of responsibility for labour conditions needs to be drawn along the entire value chain of production.

It is not clear how many textile producing units have been audited and certified according to the SIMA-TUV code. More importantly, unlike the statutory Hostels

Act that binds all units to follow it, the adoption of the SIMA code is purely voluntary, with a monitoring and certification process that may not be transparent and possibly not amenable to verification. The question remains whether the new Hostels Act is enforced or – like many other laws in India – remains just on paper.

To summarise, without proof of employment, minimum wages or social security benefits, girls are left at the mercy of the mills and factories. They are unprotected and suffer under the despotism of the management of the mills. After spending years working hard in the textile industry, the girls and women workers are physically and emotionally spent. They have only their meagre pay packets and no other job skills to fall back upon or any social benefits such as pension funds upon which they can rely for financial security. The next chapter explores the role of the state and of civil society in ensuring decent standards of employment.

Chapter 3: State and Civil Society Response

There has been a variety of responses from the government and civil society to the problems associated with camp labour. Since the exposure of human rights violations in mills and factories, local organisations that have been advocating for workers' rights or doing social service among the poor and disenfranchised have been motivated to address the needs of textile workers. These organisations have taken the lead in engaging with the government and employers in order to stem camp labour. International non-governmental organisations are also eager to raise the global labour standards of textile manufacturers and retail brands and have extended their work in Tamil Nadu over the last few years. This chapter discusses this work focusing on different issues through several modes of action.

3.1 Lack of Regulation and Enforcement

There are many ways in which the state seeks to regulate employers and protect the rights of workers. Two of the most important are the registration and licensing procedures and the enforcement of existing laws. Both of these, however, are highly flawed in relation to textile and garment workers.

Unregistered mills

The registration and licensing process is simply an administrative procedure that cannot be held as a sufficient measure of legal compliance nor is it a standard by which employers can be judged as 'responsible.' Yet a significant obstacle for labour protection is that a large number of mills and factories are not registered with the relevant authorities and therefore, tend to operate off the radar screen of law enforcement officers. There could be discrepancies between the number of mills and factories listed by district at the Directorate of Factories and those that actually exist on the ground. Although unregistered units face a Rs. 50,000 penalty and a warning to make amends, as explained below, the chances of being detected are so slim, that most companies are willing to take the financial risk.

Under-reporting of workers

Information obtained under the Right to Information (RTI)¹¹¹ has shown that registered companies dramatically under-report the number of workers they employ. For example, a company may register itself as employing 50 workers but may in fact be employing a few hundred. Such under-counting in the company's Annual Report works in the favour of the employers as they may receive government subsidies and

¹¹¹ The RTI obliges specially designated representatives of each governmental department called Public Information Officers (PIOs) to respond in writing to all questions posed by citizens within 30 days or face a penalty. Citizens can file letters with questions pertaining to the functions and performance of the department, as well as copies of any data the department may have for a nominal fee, eg. Rs. 10, to be paid when the letter is submitted to the relevant department.

not attract untoward attention to itself from regulatory bodies. The registration procedure also involves payment of fees, the amount of which depends upon the number of employees they engage. Plus, employers become liable under other labour legislation, e.g. Employee State Insurance (ESI) and Provident Fund (PF), based upon the number of their employees.

Community workers have noted that under-estimating size is a common tactic adopted by companies along with a mis-representation of the number of units that a company operates.¹¹² For instance, a leading company that produces high-volume garments for export may declare two units but may have an additional small unit that has not been registered. This allows the company to maintain flexibility during fluctuations in production without relying on subcontracting or being fettered by regulatory obligations.

Absence of State Monitoring

There are many government bodies that are designated to play a role in the monitoring and enforcement of workers' rights. Besides the Labour and Employment Commission (supposed to carry out factory inspections), they include the District Collector, Revenue Division Officer (RDO), Social Welfare Officer, Industrial Safety and Health officers, the District Child Protection officers, Child Welfare Committee, Revenue Officer, the Police, the Women's Commission, the Child Rights Commission, and the Village Administrative officers. Despite the number of public agencies that are mandated to investigate and enforce legislation on behalf of workers, a pro-active stance is rare. In 2013, for instance, only 16 violations were recorded under the Minimum Wages Act in the main Labour Commissioner's Office for the state.¹¹³

In 2007, the Government Order (No. 137) of the Labour and Employment Department ordered the constitution of 17 District Monitoring Committees (Erode, Coimbatore, Dindigul, Madurai, Theni, Salem, Namakkal, Karur, Sivaganga, Ramanathapuram, Virudhunagar, Tirunelveli, Tuticorin, Dharmapuri, Krishnagiri, Trichy and Vellore).

The main task of the Monitoring Committee was to carry out surprise inspections of the mills and workers' hostels in their respective districts to collect data about wages and working conditions, and to distinguish whether they were apprentices or engaged in regular work. The committees were directed to submit its report to the Registrar-General within three months with recommendations for regularization of their services and for the payment of regular wages. These committees signaled a serious step that could be taken by the state toward fulfilling its responsibility to its citizens. There is little evidence, however, that the DMCs have carried out their

¹¹² Interview, 2 December, 2015

¹¹³ Government of Tamil Nadu (2015)

mission. Reports on the work achieved by the DMCs have not been made available even under the RTI, except in two cases, which show that the committees seem to be willfully ignorant of ground realities.

When grievances and observations of egregious violations of human rights at work are raised with government bodies by community workers, the response of the state has been likened to a “post-office clearinghouse.”¹¹⁴ The implication is that officials deny responsibility for handling the complaints themselves and instead refer complainants to other state authorities, which in turn pass the complaints on further. S. M. Prithiviraj, the Convenor of TPF, summarised the position of the state in the following words: “Government officials are negligent. There is some kind of relationship between the labour department and employers, and therefore, they are reluctant to take up the issues with the employers. Knowingly or unknowingly, they have failed to implement the order to ensure the safety and security of the girls.”

Instances of labour abuse come to light only when workers escape or find the courage to complain about the treatment in mills. In such rare cases, state agencies spring into action and follow the procedures mandated for investigation and rescue.

In case of factory closures, workers have the right to compensation for the loss of work.¹¹⁵ Since 1986 the Textile Workers’ Rehabilitation Fund Scheme (TWRFS) seeks to address workers’ welfare in the textile industry. During the fiscal year 2014-2015, only 974 workers received a total compensation of Rs. 277.98 lakh. The number of workers who benefit from this scheme is miniscule in relation to the number of former textile workers who are left without a means of livelihood.

Box 6: A Rescue Operation¹¹⁶

A six-hour inspection of a mill in a village near Kangayam, in Tirupur District following a phone complaint by a young worker led to the rescue of 23 girls below 18 years of age. The inspection team formed by the Tirupur District Collector comprised: the Deputy Director of the Industrial Safety and Health Department, the Kangayam Tahsildar, an Assistant Inspector of Labour, a District Child Protection Officer, a Childline representative,¹¹⁷ and an officer of the All Woman Police Station at Kangayam. The inspection found that 10 of the 540 girls employed in the mill were between 11 and 14 years old. The remaining 13 girls complained of physical abuse and wanted to go home. Some of the girls interviewed by the inspection team complained about being beaten; being cheated of the promises of the opportunity to

¹¹⁴ Interview, 2 December, 2015

¹¹⁵ Ministry of Textiles (2015: 10)

¹¹⁶ Ananth (2015)

¹¹⁷ Childline is a 24-hour national hotline for complaints about suspected abuse of children registered and investigated by a local state-designated organization.

study while working part-time; having their mobiles confiscated and being denied the right to talk to their parents. The 23 girls were taken to a temporary shelter until a hearing before the District Child Welfare Committee.

Information obtained under the RTI showed that the inspection and conviction rates in the textile industry are abysmally low. For example, the annual inspection records under the Factories Act filed in 2011 for an entire district shows that the highest number of offenses detected in relation to issues such as sanitation, safety, registers, labour welfare, employment and hours of work, and so on in any single category of factories was only 61. Of these, only 18 convictions were registered.¹¹⁸ In the absence of collective bargaining rights and the lax enforcement of the law, workers are left isolated and need support. The next section examines the activities of civil society in support of textile workers.

3.2 Prevention, Rescue and Rehabilitation

The Tirupur People's Forum (TPF) has been working to protect child rights, labour standards and the environment since its foundation in 2006. In 2015, the TPF is a coalition of 43 civil society organisations working in 23 districts of Tamil Nadu. Member organisation carry out a number of projects and campaigns in a multi-pronged effort to end the exploitation of workers, seek judiciary and financial redress for survivors, and open up the potential for their self-actualisation, as discussed in this section.

One of the most immediate priorities of the local organizations is to prevent deaths by occupational accidents and suicides.¹¹⁹ According to one community leader, when workers die during their tenure at mills, the immediate response of mill owners is to cremate the body without any investigation as to the cause and to pay the families a monetary compensation in exchange for a signed statement that a legal case will not be filed to hold the employer responsible. Instead, the reason given is consumption of some household or cosmetic product.¹²⁰

Given the gravity of the matter in the case of workers' deaths, a multi-pronged approach is needed urgently. Information on the implementation of labour laws, particularly on health and safety issues, would be critical. A public interest litigation case has been filed in the Supreme Court through the Legal Services Authority against the Labour Department and the Industrial Safety and Health Department for the negligence in carrying out their responsibilities that have led to workers' deaths in the industry. Community workers also seek to prevent suicides by providing a safe space in which workers can share their lives and seek camaraderie

¹¹⁸ Information obtained under the RTI.

¹¹⁹ Dorairaj (2010)

¹²⁰ Interview with NGO leader, 2 December, 2015

from other workers while gaining valuable job-related and leadership skills. Those who need emotional and psychological support receive individual and group counselling. These three roles – watchdog, public interest litigant and counsellor – that NGOs play have been critical in mitigating the egregious effects of the camp labour environment.

Another major area of work undertaken by TPF member organisations is to raise awareness about the realities of working under “the scheme” as current workers refer to the different forms of the camp labour system. Community workers visit villages that tend to be recruitment ground for labour agents in order to warn families not to fall prey to false promises.

Another aspect of preventive work that one NGO has developed is a Panchayat leaders’ training programme. On one level, the programme is a sensitivity training to make Panchayat leaders aware of issues and the law related to camp labour, in all its forms. On a different level, it is intended to motivate the establishment of a village-level data base on school-age children based on the provisions of the Right to Education (RTE) and maintain records of the girls who migrate out of the village. At yet another level, the training highlights the authority vested by the RTE to the panchayat to monitor factories on behalf of children, thereby playing a greater regulatory role in eradicating child labour and encouraging more children to complete their basic education. Thus, the training programme can be a catalyst for information and action at the grassroots where it matters most.

Another village-based point of leverage for former scheme workers developed by a NGO is through the Integrated Child Development Services (ICDS) teachers training programme. Each anganwadi (government childcare centre) teacher routinely maintains contact with peer groups of adolescent girls and are the first portals of information about unpaid or partial payments and denied social security benefits. This information is compiled and sent as a memorandum to the industry associations for redress. If the claims are denied under any pretext, the matter is taken up with the government authorities that are present for hearings on “District Collector Days.” In 2014, 150 out of 250 such claims were resolved in this manner.

Collaborating with the government and raising pressure on the relevant authorities to enforce labour legislation is another area of work of TPF member organisations. This work entails being a member of the investigating team when companies are suspected of violating workers’ rights, and advocating on behalf of the survivors. They ensure that companies are investigated and face the full force of the law when young workers escape or wish to file complaints (see Box below).

Box 7: Fact-Finding Mission in the Krishna Mills case

A 15-year old girl was recruited by the father of two girls who were already working at Krishna Mills in Erode. Her family was paid Rs. 10,000 before she left and an additional Rs. 20,000 was promised when she completed two years of work. However, the girl found the work too difficult and asked to be shifted twice to different departments. Instead of giving her different duties, on the third occasion, she was locked up without food and water. When her parents and grandmother arrived to take her back home, they were told that the girl would need to work until they repaid the advance. The parents returned home to find the money to rescue their daughter. However, the girl still could not work, and her grandmother was asked to work in her place, but did not have the right skills. She and her grandmother were taunted; the girl was beaten and sexually harassed by the supervisor. Finally, she and her grandmother managed to escape with two other girls and get help from the local panchayat. A First Information Report (FIR) was filed by the police only under pressure from a local NGO. The complaint was filed under the POCSO Act, 2012. It could also be filed under the Bonded Labour Act due to the advance payment; under the SC/ST Prevention of Atrocities Act due to the girl's caste; and under the Sexual Harassment Act, 2013. The girl needed immediate medical care and has to be adequately compensated.

A representative of the National Child Labour Eradication programme informed the NGO and governmental representatives that a raid had been conducted at Krishna Mills approximately two months prior of the 15 year old Dalit girl's ordeal and 17 bonded labourers were rescued. However, no case could be filed against the company because the raid was not conducted systematically according to protocol.¹²¹ Representation of all concerned government departments is a requisite condition for the raid to be accepted as legal and valid. In order to pursue the matter diligently, a 16-member inspection team was constituted to include all pertinent statutory bodies as well as members of civil society. The investigating team found 12 girls out of a total of 105 workers who did not want to continue working at the company and were held as forced labour. Nine of the twelve were paid in advance, and therefore, needed to be considered bonded labour. The remaining three were wage workers, who were reunited with their families and advised to continue their studies. The nine girls' rescue was registered under the Bonded Labour Act and the rescue provisions of the Act were applied.

One organisation advocates the UN guiding principles on business and human rights among branches of the national government while engaging mill owners and management in order to improve their practice. A prevalent problem in the industry has been complaints of sexual harassment. Despite initial denial of the problem within the industry, there has been some progress. Along with governmental officials, NGOs have been conducting training sessions on the legal aspects of the Sexual Harassment of women in the workplace (Prevention, Prohibition and

¹²¹ See: <http://pblabour.gov.in/Pdfs/protocol.pdf>

Redressal) Act 2013 and the Tamil Nadu Hostels Act 2014 for mill and factory managers. In total, 96 mills have been covered in the orientation workshops. Collaboration between NGOs and management has led two companies to set up “Internal Complaints Committees” and more have expressed intentions to do so.¹²²

In a different vein, former ‘camp’ workers are encouraged to join a peer group that has been created to serve as a mutual support, advocacy and campaigning base on issues of common interest. The Sumangali Survivors’ Scheme has established a revolving fund to support the rehabilitation of survivors. Local organisations have set up centres for skills-building so that current and former camp workers can find alternative sources of income. The most popular classes are tailoring and beautician courses but additional skills courses in driving and computer science are also useful to open up employment and livelihood options for the former camp workers (see Box below).

Box 8: Raising Aspirations and Supporting Dreams

Twenty-four year old Kalpana is married and has a 1.5 year old child. Before getting married, Kalpana worked as a spinner for three years. She earned Rs. 150 a day, and worked under a supervisor who was very strict with both men and women. There was no clean drinking water at the mill so they carried their own water with them. The toilets at the mill were dirty and they did not use them during the whole work day.

All the girls who worked under the scheme suffered a lot. The supervisor gave them a choice: either arrive at work at any time or work continuously for 24 hours without any rest. If the girls were sick with a fever, they were still expected to show up for work after taking medication. The supervisor did not allow them to take leave.

Four years ago, the scheme was very strict for the girls. Once they started their three-year stint under the scheme, they were not allowed to leave the premises or visit their native place. Now the girls have a bit more freedom, as the supervisor is more lenient. The girls get to leave the hostel once a month accompanied by the warden, and they can visit their home for Diwali holidays once a year. Most of the girls come from Madurai, Maliyaduthurai, and Kubmakonam districts.

Kalpana completed 10th Standard, and with the support of an NGO, earned a diploma as a beautician. By emphasizing education and skills-building, the NGO instills self-confidence and motivates former scheme workers to explore alternative sources of livelihood. Kalpana is now self-employed doing bridal makeup. Someday she wants to start her own beauty parlor but wants to do a degree for that first.

3.3 Unions

Civil society organisations in Tamil Nadu, particularly trade unions, were the first to expose the problem of forced or bonded labour in the textile industry, and have

¹²² Interview 27 August 2015

insisted on its abolition through the courts. In February 2006, the State Textile Workers Federation filed a complaint to the Government of Tamil Nadu through the Centre of Indian Trade Unions (CITU) that the Textile Mills in Tamil Nadu were engaging adolescent girls under a scheme known as Thirumagal Thirumana Thittam that was in essence forced labour.¹²³ The CITU also filed a Writ Petition to the Madurai Bench of the High Court of Madras, which dismissed it, redirecting it to the Labour Commission as the right authority.

In March 2007, the Labour and Employment department issued Government Order no. 62 appointing District Monitoring Committees in the districts of Erode, Coimbatore and Dindigul. Superseding this, another Government Order (No. 137) of the Labour and Employment Department in June 2007 ordered the constitution of 17 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. In the opinion of long-term social activists, the appointment of so many officials from the district administrative ranks, in essence, severely limits the independent operation of the DMCs.

The main task of the Monitoring Committee was to carry out surprise inspections of the mills and workers' hostels in their respective districts to collect data about wages and working conditions, and to distinguish whether they were apprentices or engaged in regular work. The committees were directed to submit its report to the Registrar-General within three months with recommendations for regularization of their services and for the payment of regular wages. These committees signaled a serious step that could be taken by the state toward fulfilling its responsibility to its citizens. There is little evidence, however, that the DMCs have carried out their mission. Reports on the work achieved by the DMCs have not been made available even under the RTI, except in two cases which show that the committees seem to be willfully ignorant of ground realities.

3.4. Initiatives

There have been many initiatives undertaken by local organisations, at times in collaboration with international NGOs. One of the most important initiatives is the Tirupur People's Forum (TPF) which has been presented above.

The Campaign against Sumangali Scheme (CASS) is a state-wide campaign network that was formed in 2012 by 34 organisations, institutions and trade unions to consolidate advocacy efforts and initiate legal intervention.¹²⁴ Among the activities

¹²³ This section has been summarized from <http://indiankanoon.org/doc/1102952> (retrieved 21 September, 2015).

¹²⁴ Staff Reporter (2012)

planned were state and national level seminars on the camp labour system, a signature campaign to engage students and the public in the struggle against camp labour, a public interest litigation in the High Court for the eradication of the camp labour system, district level workshops on topics such as migration of unskilled workers, girl child protection and the Right to Education, as well as raising awareness among rural families about the negative effects of camp labour and the existence of government schemes for the poor.

In March 2015, the Freedom Fund, a US and UK based non-profit organisation, announced its partnership with C&A Foundation, the philanthropic arm of the multinational clothing retailer C&A, to establish its third 'hotspot' in Tamil Nadu focused on eradicating modern slavery. With an investment of €2.4 million over a two-year programme, Freedom Fund seeks to work with local organisations "to promote education, training, and income generation opportunities for survivors and families at greatest risk."¹²⁵

In the latter part of 2015, a fledgling conclave of stakeholders in the textile and garment industry was in the initial stages of conceptualising a common point agenda (discussed in the following chapter).

These initiatives at the local, national and international level have achieved a tremendous amount of sensitivity to the issues associated with camp labour. Most remarkably, they have motivated government representatives and industrial bodies to engage with NGOs at various levels in finding viable solutions. The next chapter puts forward a few recommendations for further action and policy change.

¹²⁵ Source: <http://freedomfund.org/press-release/freedom-fund-partners-retail-industry-tackle-forced-labour-southern-india/> (retrieved 2 January, 2016).

Chapter 4: Recommendations supported by FEMNET

The following recommendations have emerged through discussions about decent employment in spinning mills among local NGOs in Tamil Nadu which have campaigned over many years to draw attention to the violation of workers' rights in the sector:

- Recruitment of children **under the age of 18 should be banned** under the U.N. Child Welfare norms;
- **Camp labour** (Sumangali Schemes) **should be abolished**
- Raising of **reliable data** in micro, small, medium and large size mills and factories with the aim to analyse the composition of the workforce (age, sex), working conditions, the labour turn-over and the labour shortage
- **Brands, retailers and manufacturers should identify, prevent and mitigate risks and negative impacts** in their supply chain, in accordance with the United Nations Guiding Principles on Business and Human Rights. This means that companies need to proactively look into the human rights risks of their activities, including their supply chain and business relations, and develop strategies to address these risks. Due diligence requires that business enterprises have policies and processes in place through which they can both know and show that they respect human rights in practice. Showing involves communication, providing transparency and accountability to individuals or groups that may be impacted, as well as to other relevant stakeholders.

Towards Local Government of Tamil Nadu

- An effective **labour inspection** and oversight of proper functioning of the Employees' Provident Fund Organisation is important in the interest of workers.
- The Tamil Nadu government must implement and enforce the Child Labour Act and **eliminate the use of girl labour** in the mills.
- Each and every Panchayat (village level government) should have a **register** with details of scheduled caste, scheduled tribes, tribal girls and young women workers from the village and the details of the factories where they are working. A consolidated register should be made available in the respective District Social Welfare Department offices.
- The poor girls should be provided **education as per the Right of Children to Free and Compulsory Education Act, 2009** and form a school management committee to monitor the situation. Also, special efforts must be made to re-enroll girls who have dropped out of school in middle and high schools.

Towards Manufacturers

WAGES, CONDITIONS & SOCIAL SECURITY IN THE MILLS AND FACTORIES

- All forms of the **Sumangali scheme and camp labour** must be replaced with regular, waged employment for adults; lump sum build up of withheld wages or illegal deduction in the name of Provident Fund contributions are unacceptable.

- The **apprenticeship** period must be limited to six months
- The **number of hours** a worker should be employed is a minimum of 48 hours (without Overtime) and a maximum of 60 hours (inclusive of Overtime) per week
- Payment of a **living wage**: According to the Asia Floor Wage Alliance the living wage in India is 18,727 Rupees (EUR 247,-) as per 2015 standards
- Wages must be paid regularly through personal bank accounts of the worker with signed pay-slips;
- Workers must benefit from paid leave as per the Factories Act;
- All workers should be covered under Provident Fund (PF) and Employees' State Insurance (ESI), according to the law;
- ESI and PF deductions to be shown on payslip with details of membership numbers;

PROOF OF EMPLOYMENT

- All workers should be issued **identity cards** that they are permitted to keep in their possession;
- All workers should have **appointment letters** that outline the start date, duration of the employment, rate and mode of payment, shift and holiday policies, and any other employment related conditions;
- Company human resources policies need to be printed in Tamil and English for circulation among workers, regulatory agencies.

WOMEN

- The repeated accidental death in the workplace should be prevented and redressed as per Workmen's Compensation Act 1923 with latest Amendment.
- **Harassment and sexual abuse** should be prevented by formation and activation of **Internal Complaint Committees** as per the Sexual Harassment of Women at Workplace Act 2013.
- More **women** should be promoted to **supervisors** and other staff in positions of authority on the shop-floor and in the hostels.

ACCOMODATION, OCCUPATIONAL HEALTH & SAFETY

- Safe and decent accommodation, i.e. not crowded. All **hostels** accommodating girls and young women workers of the textile and garment industry should be brought under the safety and security guidelines of the **Tamil Nadu Hostels Act**. Hostels should be monitored to protect the girls and young women workers.
- Workers should be permitted rest breaks and access to proper seating facilities;
- Working places and hostels must have potable water, clean and adequate toilets, etc.
- Fresh, nutritious and well-balanced meals to avoid anaemia and other chronic illnesses;

MOBILITY

- There should be no confinement in the guise of safety. Workers should be permitted to move in and out of the hostels with an entry in the security registers;
- Workers should be allowed to have access to their personal phones during breaks;
- **Forced labour** should not be allowed;

- Workers should be allowed to take leave on their own accord, when needed; without the need for parental involvement;
- Workers should be permitted to change jobs or resign with full back wages.

GRIEVANCE MECHANISM

- Genuine and credible grievance mechanism should be in place. Workers should have the possibility to complain anonymously.
- **Internal Compliance Committee** should be formed as per the Indian Labour law

ACCESS AGREEMENTS

- **Access agreements** between manufacturers and Unions /NGOs allowing them to have regular meetings with the workers during working hours (1x per month) Local manufacturers should respect trade union rights. Independent trade unions should be able to play their designated roles. Freedom of association and collective bargaining are key to ensure workers' rights that are fulfilled.
- Companies should facilitate **independent verification with strong involvement of trade unions and NGOs/CSOs**.

TRAINING

- Producers should support and facilitate the training of management, workers and workers' representatives (separately and jointly) in freedom of association, collective bargaining, labour-management relations, child labour, etc. Such training should be delivered by trade unions or credible labour rights organisations.

TRANSPARENCY

- Manufacturers should publish names of first and further tier suppliers and should **publish audit findings, corrective action plans** and progress in action on a website under survey of a newly created body.

Towards Brands and Retailers

- **Identifying risks.** Companies should not source from factories, which apply the sumangali scheme/camp labour. The presence of migrant workers among the workforce and the lodging of these workers in factory hostels should be red flags for companies sourcing from these regions. Hostel workers are in a vulnerable position as their freedom of movement may be severely restricted. Also, they may be forced to work excessive hours. Needless to say, the absence of contracts between employer and employees, as well as the absence of pay slips should seriously alert buying companies.
- Buying companies should – ultimately – **reform their business practices**. Purchasing practices of buying companies should enable – and not inhibit – respect for labour rights at their first and further tier supplier. This includes:
 - a) A pricing policy that takes into account the social and environmental quality of sourced products, enabling suppliers to pay a living wage and offer decent working conditions;
 - b) Building long-term, stable buyer-supplier relationships;
 - c) Good production planning, including reasonable supply lead times, predictability of orders and minimising last-minute changes

- **Transparency:** Brands should publish names of first and further tier suppliers and should publish audit findings, corrective action plans and progress in action
- **Respect for trade union rights.** Buying companies have a role to play in ensuring that independent trade unions can play their designated roles. First and foremost, the right of workers to form and join trade unions and to bargain collectively should be protected and respected. These enabling rights permit workers to defend their rights, voice grievances and negotiate wages, as well as improving recruitment and employment conditions.
- Ensure the **establishment of genuine and credible grievance mechanisms** at both buyer and supplier level. To deal with workers' needs and complaints, grievance procedures should be put in place. Such grievance procedures should meet the following core criteria: legitimacy; accessibility; predictability; equality; compatibility with internationally acceptable rights; transparency. Complaint procedures should provide a basis for of continuous learning and improvement.
- **Training:** Buying companies should support and facilitate the training of management, workers and workers' representatives (separately and jointly) in freedom of association, collective bargaining, labour-management relations, child labour, etc. Such training should be delivered by trade unions or credible labour rights organisations.
- **Increase leverage.** In addition to cooperation with local trade unions and other civil society stakeholders, cooperation with other buyers is crucial. The average garment company may spread its orders over hundreds of changing suppliers. Long-term relationships with suppliers are rare. Due to these purchasing practices, brands and retailers have seen their leverage vis a vis suppliers decreasing. Lack of leverage cannot be an excuse for inaction. If a company lacks leverage, it should take steps to increase its leverage, for example, joining forces with other buyers, preferably in a multi-stakeholder setting.

Towards the Governments at the buying end

- Develop **regulations** that oblige companies to be transparent about their supply chain and report about their **due diligence procedures**. To ensure a level playing field, such measures should be taken at the national and European level.
- Take measures to ensure that companies domiciled in their territory/jurisdiction respect human rights throughout their supply chains. This includes mainstreaming CSR into existing governmental instruments that provide support to companies.
- Support to the Multi-stakeholder Initiative (MSI) newly created by local NGOs/CSOs in order to create a solid program of work for improvement of working conditions in the textile industry (Spinning and Garment) in Tamil Nadu

Proposal for a Tamilnadu Multistakeholder Initiative

Key Civil Society Organizations (CSOs) in Tamil Nadu have come together to form, develop and work through a Multi Stakeholder Initiative-Tamil Nadu (MSI-TN) by inviting brands, suppliers and the government to address the issues collectively. There is a need to develop an environment of mutual trust and respect the fundamental goal and purpose of each stakeholder. It is to adopt strategies by taking a leaf out of other successful experiences of the Bangladesh Accord or the Freedom of Association Protocol in Indonesia.

Bibliography

- Ananth, M.K. (2015) “23 Girls Rescued from Spinning Mill in Tirupur,” The Hindu, 21 September.
- ASK (2015) “Addressing modern slavery in Tamil Nadu Textile Industry – Feasibility Study Report,” NY: Freedom Fund
- CARE-T (2015) “Reduction of the worst forms of child labour,” a powerpoint presentation, 26 August, Coimbatore.
- CCI (2015) “A brief report on textile industry in India,” July, Mumbai: Corporate Catalyst (India) Pvt. Ltd.
- CITI (2014) Annual Report 2013-2014, Mumbai: Confederation of Indian Textile Industry (CITI)
- Dorairaj, S. (2010) “Driven to Despair,” Frontline, 8 October, pgs. 4-21
- DoS (2012) “Trafficking in Persons Report,” Washington D.C.: The United States Department of State (DoS), pgs. 184-186, available at: <http://www.state.gov/documents/organization/192595.pdf> (retrieved 16 January, 2016).
- Fibre2Fashion (2015) “Unorganised fabric sector hampers Indian apparel export,” 29 October, <http://www.fibre2fashion.com/news/textiles-import-export-news/unorganised-fabric-sector-hampers-indian-apparel-export-175569-newsdetails.htm> (retrieved 14 November, 2015)
- FNV and ICN (2014) Small Steps, Big Challenges, Netherlands: FNV Mondiaal & Indian Committee of the Netherlands
- FWF (2015) “FWF Guidelines for Affiliates: The Sumangali Scheme and India’s bonded labour system,” Fair Wear Foundation (FWF), available at <http://www.fairwear.org/ul/cms/fck-uploaded/documents/Sumangaliupdate2015.pdf> (retrieved 5 January, 2016)
- GIM (2015) “Tamil Nadu Investors’ Paradise: Textiles Sector Profile,” Chennai: Global Investors’ Meet (GIM), Industries Department, Government of Tamil Nadu <http://www.investingintamilnadu.com/tamilnadu/opportunities/textiles.php> (retrieved 25 November, 2015)
- Government of Tamil Nadu (2014) Legislative Bill No. 16 of 2014, Gazette Extraordinary, Chennai: Government of Tamil Nadu
- Government of Tamil Nadu (2015) “Tamil Nadu Statistical Handbook 2015,” Chennai: Government of Tamil Nadu. Available at: <http://www.tn.gov.in/deptst/industries.pdf> (retrieved 6 January, 2016)
- Government Order (2013) G.O. (2D) No. 44, August 5, available at http://cms.tn.gov.in/sites/default/files/gos/labemp_e_44_2013_2D.pdf (retrieved 28 December, 2015)
- IBEF (2015) “Textile Industry in India,” September, available at <http://www.ibef.org/industry/textiles.aspx> (retrieved 13 November, 2015)

Ministry of Textiles (2015) Annual report 2014-2015, Delhi: Ministry of Textiles, Government of India. http://texmin.nic.in/sites/default/files/ar_14_15_english.pdf (retrieved 18 November, 2015)

Ministry of Textiles (no date) "Indian Industry: Composition of GDP 2005-2006," Mumbai: Ministry of Textiles, Office of the Textile Commissioner, <http://txcindia.gov.in/html/texspgindex5.pdf> (retrieved 3 December, 2015)

PTI (2015) "Indian texpreneurs federation hails commerce ministry's announcement," 30 October, <http://news.niticentral.com/2015/10/30/indian-texpreneurs-federation-hails-commerce-ministrys-announcement/> (retrieved 4 November, 2015)

READ (2015) "Roadmap Series 1: Stakeholders stay together," Erode, Tamil Nadu: Rights Education and Development Centre (READ)

Rhoten, K. (Ed.) (2015) "India's Human Trafficking Laws and Policies and the UN Trafficking Protocol: Achieving Clarity," a Policy Brief, Centre for Health Law, Ethics & Technology, Jindal Global Law School in collaboration with the University of Chicago Law School and Cornell's Law School's Avon Global Center for Women and Justice. Available at: http://www.jgu.edu.in/chlet/pdf/Indias-Human-Trafficking-Laws-Report-Book_Feb-2015.pdf (retrieved 16 January, 2016).

SAVE (2014) "Sumangali Trend Analysis: Collection and consolidation of the reporting period January 2013 to June 2014," Tirupur, Tamil Nadu: Social Awareness and Voluntary Action (SAVE)

SIMA (2013) "ISDS – An Introduction," Website publication, http://www.simamills.org/index.php?option=com_content&view=article&id=133:isds-intro&catid=60:isds-category (accessed 2 December, 2015)

SOMO (2011) "Captured by Cotton," Amsterdam: SOMO – Centre for Research on Multinational Corporations

SOMO (2014) "Flawed Fabrics," Amsterdam: SOMO – Centre for Research on Multinational Corporations; Translated by FEMNET into German: Löchrige Kleider

Special Correspondent (2015) "Dalit girl escapes from 'hell'," The Hindu, 21 September

Staff Reporter (2012) "Campaign against Sumangali scheme to be intensified," The Hindu, 26 August, available at: <http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/campaign-against-sumangali-scheme-to-be-intensified/article3823328.ece> (retrieved 6 January, 2016)

Texprocil (2014a) "TEXPROCIL Seeks Higher Export Benefits for the Textile Sector," Press Release, 4 August, 2014, available at: <http://www.texprocil.org/cdn/gallery/10/a6af2044c0565c88c07c43f1431dcc46.pdf> (retrieved 3 December)

Texprocil (2014b) "Textile industry - a highly competitive industry," 12 September <http://www.texprocil.org/cdn/gallery/10/d2af501edc315d4086367c5abb566065.pdf> (retrieved 5 December, 2015)

Texprocil (2015) "Overview of Current trade in textiles and clothing – a presentation to COA" 20 November, available at:

<http://www.texprocil.org/cdn/gallery/13/2186f3282d554d9f9fc0b5392169699f.pdf>
(retrieved 2 December, 2015)

Venkat, V. (2007) "Caught in a Weave," Frontline, vol. 24(20), 6-19 October

World Bank (2016) "Doing Business: Measuring Regulatory Quality and Efficiency," 13th edition, Washington, DC: International Bank for Reconstruction and Development/The World Bank.

Websites consulted

<http://freedomfund.org>
<http://indiankanoon.org>
<http://ncw.nic.in/>
<http://pblabour.gov.in>
<http://stophumantrafficking-mha.nic.in/>
<http://texmin.nic.in>
<http://www.citiindia.com>
<http://www.epfobbs.gov.in>
<http://www.esic.in>
<http://www.ilo.org/>
<http://www.indianlawcases.com/>
<http://www.paycheck.in>
<http://www.pudr.org/>
<http://www.simamills.org/>
<http://www.tasma.in>
<http://www.texprocil.org>