As pressure builds up, TN mills rectify conditions

Netherlands' Campaigners Expose Sumangali Scheme in SA8000 Certified Mills

In yet another international report, the ‘exploitative’, ‘abusive’ and ‘inhuman’ labor practices prevalent in the Indian textile industry has been highlighted. But SOMO and ICN report has also documented how rights under governments’ move, an institutionalized downy scheme ran. Under the Sumangali (happily married women in Tamil language) Scheme workers are recruited with the promise that they will receive a considerable amount of money after completion of three to five years of employment. According to the report, “This amount can be used to pay for a dowry. This exploitative scheme is tantamount to bonded labour, because employers withhold part of the workers’ wages until they have worked there for three to five years. In addition, it was found that workers are severely restricted in their freedom of movement and privacy. The Sumangali Scheme was introduced 10 years ago by textile and garment manufacturers in the Coimbatore and Tirupur districts. It is now widespread throughout Western and Central Tamil Nadu. This is how the luring begins: We request you to bring us the lovely girls you know and make their lives prosperous as a lighthouse! Factories advertise their jobs with attractive posters and pamphlets, presenting the Sumangali Scheme as ‘a unique opportunity for young women’ to earn up to 60,000 rupees in three years. The offer also includes comfortable accommodation, three nutritious meals a day and leisure and educational activities. Besides these types of posters, factories also use recruiters. Recruiters are hired by the factories and receive... 

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1. SOMIT THINDA SUPER EXCELL, year 2002, 2000 mm width, 8 colours, jacq., BONUS M6 electronic jacq., 90/4 format, Series 2060, 6 walks, 1.5 warp beams with 500 mm flange, 1 cloth roller.

2. SOMIT THINDA SUPER EXCELL, year 1999, 2000 mm width, 8 colours, jacq., BONUS M6 electronic jacq., 90/4 format, Series 2060, 6 walks, 1.5 warp beams with 500 mm flange, 1 cloth roller.

3. SOMIT THINDA EXCELL, year 1998, 1400 mm width, 8 colours, jacq., BONUS M6 electronic jacq., 90/4 format, Series 2060, 4 walks, 1.5 warp beams with 500 mm flange, 1 cloth roller.

Amor Zaidi, Vice President International Sales

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approximately 500 rupees per recruit. They visit poor villages, and identify the families with daugh-
ters in the age between 14 and 21, or even younger, that are in financial need. The recruit-
ment intensifies during the school holidays, because school dropouts are seen as an important
target group.

According to various estimates by national and international NGOs and research groups, an esti-
amated 120,000 (going up to 300,000) workers are currently employed under the scheme. Sumangali
workers are mainly recruited from impoverished districts of Tamil Nadu.

Injustice met out to the laborers in Sumangali Scheme:

The lump sum amount that workers may receive at the end of the period varies from Rs. 30,000 to
Rs. 56,000 for three years. Besides this amount, to be paid at the end of the contract period,
Sumangali workers receive a monthly stipend. This stipend varies greatly from factory to factory.
Interviewed workers reported monthly wages from

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completely prohibited.

In short exploitation in terms of longer hours and lower wages, deplorable working conditions and safety conditions, ill-treatment by management and confinement to inhospitable dormitories is what a teenage girl gets on her way to ‘happy married life’.

SOGO and ICM report ‘Mad in India’, published in April, 2012, provides an update of labor conditions in the Tamil Nadu garment and textile industry and examines the current situation at the four garment manufacturing groups of companies for ‘Captured by Cotton’ in May 2011, i.e. Bannari Ammann, Flashman Exports Global Clothing, K.P.R. Mill and SIM India.

SOGO and ICM analyzed export data from Tuticorin and Madras (Chennai) ports. The analyzed export data show that companies sourcing from Tamil Nadu include giant retailers such as Kmart, Tesco and Migros; department stores such as Marks & Spencer and AS (Asia); and a number of small and medium-sized companies including Raleigh, Tommy Hilfiger and Diesel. (fast) fashion retailers including Inditex and Primark and buying houses such as Crystal Martin.

BANNARI AMMAN GROUP

The Bannari Amman Group is one of the largest industrial conglomerates in South India with a wide spectrum of manufacturing, trading, distribution and shipping services. Two of the three groups’ companies engage in textile and garment production: Bannari Amman Spinning Mills and Shiva Textile Yarn. Bannari Amman/Shiva Textile Yarn operates two spinning mills in Dindigul. A Coimbatore unit houses spinning, knitting, weaving and garmenting facilities. The garmenting units operate under the names Yeswe Creations and Bannari Amman Apparel. Both garmenting units are WRAP certified.

Scheme workers

1,250 workers are employed under multi-year contracts (three to four and a half years) whereby a lump sum payment is promised at the end of the contract period. Field research conducted in late 2011 revealed that scheme workers are found in all of Bannari Amman’s units.

In its reaction to the draft version of this report, Bannari Amman writes that there is no scheme under any name for hiring and engaging workers in any Group Units. The company does not provide any details about how it recruits workers, but it states that it hires workers through recruiters or via recruitment agencies.

Dormitories and movement

Over 1,000 workers live in Bannari Amman’s hostels. Workers that live in the factory hostels (located on the factory grounds) are allowed to leave the hostel accompanied by their parents when they come to visit their daughters.

This happens rarely (once or twice in six months), since most parents live far away. Workers are also permitted to leave the hostels in a group accompanied by a warden once every 15 days.

Child labor

The researchers did not find indications of workers under the age of 14 at Bannari Amman. The youngest workers found among Bannari Amman’s workforce are 16 years old.

Wages

Workers in the spinning units receive a daily wage that starts at Rs. 1,900 ($38) and usually increases until Rs. 1,100 ($60) at the end of the contract period. Scheme workers receive a lump sum payment ranging from Rs. 40,000 ($615) for three years to Rs. 75,000 ($1,153) for four and a half years. The new field research finds that Bannari Amman has changed its practices. Interviewed workers said that they would leave the factory now, before the contract period has ended, to receive the lump sum amount they saved.

Working hours and overtime

The spinning units operate 24 hours a day. Workers, especially hosted workers, often have to work for 12 to 16 hours a day (this happens three to four times a week according to the interviewed workers) and sometimes even three shifts in a row.

The weekly end-off is not always respected, as workers regularly have to work on Sundays. Production targets for workers are set unrealistically high. Workers are obliged to continue until they complete the target, while being screamed at by the (male) supervisors. Workers are not paid for the extra hours they need to work in order to complete production targets. However, Bannari Amman falsifies these claims.

Occupational health and safety

The interviewed workers said that they had not heard about any serious injuries.

Freedom of association

There is no trade union presence at Bannari Amman nor did the interviewed workers know about the existence of a workers’ committee.

Conclusion

Comparing last year’s data with the new field research, SOGO and ICM conclude that Bannari Amman has implemented some changes.

The most significant improvement, however, is that as of August 2011, it is possible for workers to...
receive the saved wages if they decide to leave the factory before the contract period has ended.

This means that workers are not forced to complete the entire period of three to four and a half years in order to receive the wages they are entitled to. No improvements have been reported relative to forced and excessive overtime hours.

Eastman Exports Global Clothing

Eastman Exports is one of the biggest players in the Tamil Nadu textiles and garment industry and supplies to a large group of European and US brands. The company is ISO 9001:2008 and SA8000 certified.

Scheme workers

As of April 2010, Eastman phased out the lump sum payment system. Workers are now paid on a monthly basis, without any part of the wages being withheld. As of April 2010, Eastman phased out the lump sum payment system. Workers are now paid on a monthly basis, without any part of the wages being withheld. A settlement was reached with workers who were working under the Sumanagali Scheme at that time. Workers were paid out the wages that had been withheld and were offered the choice to continue working for the factory and receive a monthly wage, without part of the wage being withheld.

Dormitories and freedom of movement

When interviewed, workers said that the hostels accommodated new workers as trainees. Contrary to the widespread practice in Tamil Nadu of hiring workers as apprentices for a period of three years, Eastman has shortened the training period. The training period for new workers is now one to two months. In its response to SOWO and ICN, Eastman writes that wages are paid in accordance with the Wages Act. As paid before, there is only a legal minimum wage for apprentices in spinning mills. There is no minimum wage in force for regular spinning mill workers or for garment workers.

Working hours and overtime

Conditions are similar to those in Bannari Amman. Workers cannot refuse overtime work. Overtime hours are not paid out according to local law (double rate for overtime hours). Spinning mill workers at Eastman’s spinning mills in Dindigul usually work eight hours a day. Overtime is less frequent in these units. In its response to SOWO and ICN, Eastman claims that all workers only work for mandated working hours and that overtime is performed "subject to the willingness of the workers." Eastman further claims that double wages are paid for overtime hours.

Occupational health and safety

Safety gear is only provided during inspections. In recent years, the interviewed workers are not familiar with trade unions.

Conclusion

In 'Captured by Cotton' (2009), ICN reported that Eastman started phasing out the Sumanagali Scheme from April 2010 onwards. The research shows that Eastman has decided to reallocate a settlement with most of the former Sumanagali workers. The majority of spinning mill workers are from nearby villages who live at home.

Interviewed hostellers said their freedom of movement and choice to continue working for the factory and receive a monthly wage is a significant improvement.

K. P. R. Mill

K. P. R. Mill is a stock list producer of ready-made knitted apparel and cotton knit fabrics and yarn. The company has six production units and employs more than 9,000 workers. It operates spinning, dyeing (10 effluent units), knitting and finishing (10 effluent units), and a cotton gin (10 effluent units) units filled with the latest technology.

Freedom of association

There is no trade union presence in Eastman’s factories. The interviewed workers are not familiar with trade unions.

Scheme workers

The lump sum payment is only paid out if a worker completes the full three years. If a worker leaves...
before the end of the contract period, she would be eligible to receive the amount saved up to that date. Some ex-workers were not able to open a bank account after they completed three years of work at K.P.R. Mill because the bank refused to open it for them. Management told them that they could only transfer the money if they had their individual bank account. The researchers have spoken with seven girls, one of whom is encouraging her lump sum for this reason. Four ex-workers told the researchers that they did not receive the lump sum because they could not show a wedding card to the management. K.P.R. publishes these claims.

Dormitories and freedom of movement
Interviewed workers reported that the hostel accommodation as well as freedom of movement has improved since May 2011.

Child labor
According to SOMO and ICMC’s local partner organizations, workers aged below 14 at K. P. R. Mills’ Sathymangalam unit were sent home after the publication of ‘Children’s Day’ in September. During the new research, at another K.P.R. Mill operated unit, however, the local researchers identified workers under the age of 14 at K. P. R. Mill’s spinning and knitting units at Karunamampathy, Coimbatore. This is the unit where new workers are still under training before being placed at different units. It is estimated that around 10% of workers are below 14. It is further estimated that 65% of the total workers at K.P.R. Mill is below the age of 18.

Wages
K.P.R. Mill says that wages paid are in line with the Minimum Wages Act of Tamil Nadu. As described earlier in this report, other than a minimum wage for apprentices in textile mills, there is no legal minimum wage for textile and garment workers in Tamil Nadu. Working hours and overtime, Occupational health and safety, and assurance of care in the event of a work-related accident at KPR Mill are similar to that in Eastman.

Social audits
The interviewed workers reported that before an audit takes place a group of workers receives special training. Management instructs the workers on what to say during an audit. The workers are instructed to say that they work eight hours a day. Also, they are told what to say when they are asked about their wage, hostel conditions, etc. Prior to an audit, workers receive 15 days of ‘training’, where workers have to repeat the answers dictated by the management over and over. Workers told the researchers that they dread these training sessions, they felt tortured having to repeat the same lines over and over again. In its reaction to SOMO and ICMC, K.P.R. Mill writes that it offers continuous trainings on basic systems, safety regulations, and guaranteed training. Workers are also educated on various rights and regulations as per the Standards of Work Hours Act. No specific training on Pre-Audit is given, says K.P.R. Mill.

Conclusion
K.P.R. Mill is still employing workers with the promise that they will be entitled to the lump sum amount after completing three to five years of employment. This lump sum amount consists of withheld wages and will only be paid out if the full period has been completed. The new research reveals that children under the age of 14 were found to be working at the Karunamampathy unit of K.P.R. Mill. Workers are put under great pressure to give specific answers during social audits. Other concerns are excessive and forced overtime, inadmissibly high minimum wages, no freedom of association.

Child labor

The new research also shows that some improvements have been implemented: workers experience slightly more freedom of movement and hostel accommodation has improved significantly. Furthermore, minimum wages and the lump sum amount have increased. In its reaction to the draft report sent by SOMO and ICMC, K.P.R. Mill writes that it strictly complies with all relevant laws and regulations. All policy documents that were shared are in Tamil, besides a 4-page excerpt of the Factory’s Standing Orders. SOMO and ICMC cannot assess the quality of the company’s policies. Moreover, SOMO and ICMC conclude that apparently there is a gap between policies on paper and the reality on the ground.

SSM India

SSM India operates six factories and employs approximately 6,550 people. SSM India has two spinning units producing cotton yarn, operating under the name Sri Saravana Spinning Mills, both located in Dindigul district. The company’s yarn processing division is known as SSM Fine Yarn. SSM Fibric is the division where dyed yarns are processed into piece-dyed fabrics. SSM Fine Yarn and SSM Fibric are also located in Tiruppur district. SSM further operates two garmenting divisions, Sumere Knits in Coimbatore district and Sumere Knits Unit 2 (also known as Sumeru Garments) in Sathymangalam (Irodo district). In its response to SOMO and ICMC, SSM India states that ‘We neither have any knowledge nor even a company in the name of SSM Fabric, Then.’ The government of India and SSM India insists that they have no connection to SSM Fibric. SSM India states that ‘We recruit only people who have attained the age of 16 (with due age-proof) and through the reference of existing workforce & their parents.”

Wages

Wages vary per unit. Wages also differ for residential and non-residential workers. SSM India claims that the ‘worker compensation/pay in our garment factories meets & exceeds the minimum wages outlined by our Government.’ SSM India says that wages in the garmenting units vary from Rs. 3,120 to Rs. 5,200 per month. In fact, this is not in contradiction with findings presented in this report.

Working hours and overtime

Around 3,000 SSM workers live in the factory hostels. Non-residential workers usually work shifts of 8 hours. Residential workers have to continue working after the non-residential workers have left. Seven-day working weeks are a common practice. As are outsourcing and EU clothing contracts. Both garment units are SA 8000 certified.

During the research period (August-November 2011), new workers identified by the researchers at all units of SSM India, in total some 4,600 workers. Commenting upon the draft report, SSM India states that they are strongly denied that any new recruits are found at the lump sum system. In March 2012, as part of their ongoing monitoring of the situation in the garment sector, local researchers conducted additional interviews. They cautiously confirm that at the moment, Sumere Knits (Coimbatore) does not recruit workers and are open to the promise of a lump sum payment anywhere. SSM India further clarifies that its garmenting units, workers are not recruited through agents or brokers. New workers measures are taken through the existing workforce, says SSM India. How workers for the other units are recruited is not explained.

Child labor

The local researchers report that workers as young as 12 are working at SSM India. Researchers interviewed a girl of 13 at SSM Fine Yarn who told them that she had started working there at the age of 12. Girls below the age of 16 are instructed to say they are 16 if anyone asks. The only document indicating the workers’ age is a medical certificate. When workers are under 16, these records are falsified. In its reaction to SOMO and ICMC, explaining the situation at the non-garmenting units, SSM India writes that “We recruit only people who have attained the age of 16 (with due age-proof) and through the reference of existing workforce & their parents.”

Abusive supervisors

The interviewed workers reported verbal abuse by supervisors. In some cases, workers also experienced sexual harassment. The workers were asked to speak about this subject. Supervisors threaten the girls by saying they will be sent away if they disclose, or that they are told or if they would inform the factory management about the supervisor’s abusive behavior.

Inadequacy in Government’s Policy, Brand’s Commitment and Audits

In defining child labor, SOMO and ICMC apply ILO Convention 138 and 182. This implies that all children up to at least 14 should be able to attend full-time education and hazardous labor of children between 14 and 18 is prohibited. According to the ILO Conventions all girls under 18 working in the Tamil Nadu garment industry, making long hours, often including night shifts, under unhealthy circumstances, often far away from home, and with severely restricted freedom of movement qualify a child laborers or even as potential laborers. Although these conventions are widely ratified, India has not yet endorsed them. Code of Conduct of many brands refer to both ILO Conventions, while most content themselves with general ILO standards and the Indian law, which implies only certain forms of employment of children.
under 14 are seen as child labor. To date, CBA is the only brand that has agreed to even exchange views on a more ambitious definition of child labor.

Apart from having a cell and few personnel devoted towards CSR activities in their homeland, brands and retailers also need to commit themselves to ensure that such malpractices, as described in SOMO’s, ICN’s and various other reports are eradicated from their supply chain. According to international standards and practices with regard to supply chains, companies have a responsibility beyond the first tier supplier. As they are the promoters indirectly for all these conscienceless production activities, the enus also lies with them to take the first step towards remediation, if the Indian government and authorities are not ready to break their ‘golden silence’. The majority of the brands, however, have not taken any action so far. These are amongst others Diesel, Marks & Spencer, Ralph Lauren, Quicksilver and buying house Crystal Martin, that supplies well-known brands such as M&S and Next.

On the basis of this research, the Social Accountability International (SAI), together with Social Accountability Accreditation Services (SAAS), issued a public statement condemning the abusive use of saving schemes, such as the Sumangali Scheme, as unacceptable. SAI research indicated that the larger CMT (Cut Make Trim) facilities tend not to use the Sumangali Scheme. Sumangali workers typically work in small, family-run spinning mills located in smaller villages. At a SAAS auditors meeting in November 2011 in Bangalore, auditors reported that the Sumangali Scheme is being practiced less. According to SAI, no Sumangali practices were found at cement and flooring facilities. The June 30, 2011 list of SAAS001 Certified Facilities includes a number of units of the four vertically integrated manufacturers investigated by SOMO and ICN:

- K.R.R. Mill Pvt Ltd (Medambur, Coimbatore) - manufacturer of cotton yarn
- K.R.R. Mill Pvt Ltd. (Sathyamangalam, Erode) - manufacture of cotton yarn
- K.R.R. Mill Ltd - Processing Division (Sipcot, Perundurai) - dyeing, bleaching and compacting
- Quantum Knits (part of K.R.R. Mill, Arcasan, Coimbatore) - manufacturer of cotton yarns
- Nekalan Textiles (part of Eastman, Perundurai, Erode) - manufacture of garments
- Sumenu Knits (SSM India, Sathyamangalam, Erode) - manufacture of garments

WHAT CAN BE DONE?

Apart from the audits by certifying agencies, government should initiate actions against rule violating enterprises and even social boycott could prevent exploitation of weaker sections of the society.

- No mill/project should be allowed to avail the benefits of TUPs or any other government scheme, founded to be employing bonded labor or indulging in any of the malpractices described by credible national or international organization (media, NGO, research organization, auditors, brands etc)
- Reputed Textile Machinery/Dyeing/Auxiliary/Service providers should also avoid doing business with the tainted factories, so that the ‘exploitative’, ‘abusive’ and ‘inhuman’ labor practices prevalent in the Indian Textile Industry do not get freelanced.
- Social boycotting of brevets law-breakers by all the export promotion councils and other industry associations. Also, the government should stop the issuance of Certificate of Origin and other permissions, for units found to be flouting norms.

- Some of the vertically integrated mills get only their final garment unit audited and do the billing from there. But the upstream facilities are far below acceptable standards. Sometimes, units belonging to the same owner are registered under distant third party’s name, to avoid scrutiny of malpractices. Brands should start demanding auditing of their ENTIRE supply chain, and not just a mere eye-wash. Social auditing agencies should stop gold-plating tainted organisations and employ personnel and resources that can understand and break this nexus.

Upon implementing the auditing instructions developed by SAI and SMAS, auditors found the spinning mill of KPR Mill Pvt Ltd in Sathyamangalam mentioned in ‘Captured by Cotton’ to be noncompliant with SAAS001, confirming the findings in SOMO’s report, and as a result, the company lost its SAAS001 certification. The other units mentioned above remain certified. How to the list of certified facilities is the Sumenu Knits unit in Karanagondlapally approximately 10km (10km) from the factory. As of March 2012, SAAS and SAI are instituting a follow-up investigatory mechanism. The program, under the name Market Surveillance Visits, is comprised of high-level audits conducted directly by SAAS staff and auditors.

Brands’ Reaction

CBA in its reaction says one of the steps it has taken to tackle the complex issue of Sumangali is to develop a strategy with their supplier SSM India to resolve labor issues further down its supply chain. Furthermore Sumenu Knits agreed to withdraw business from all mills that are still using the scheme, even if these companies belong to the SSM group, a family company. These actions are now being implemented and will be completed by the end of August 2012, from then on SOMO (CBA’s auditing organization) will monitor.

Cortefiel (Springfield): Eastman Exports is a supplier of ranking A that fulfills all the certificates and is not giving problems. In its annual report 2011, Inditex states that none of its suppliers uses the Sumangali scheme. In ‘Mind in India’ it was found that one Inditex brand (Pull & Bear) sources from Eastman as well. Eastman is indeed the producer where most improvements were found.

German TV stations ZDF and ARD in March and June 2012 each broadcasted a documentary on Sumangali. In the ZDF broadcast, CBA is the only brand willing to react. ARD has approached Earnings Family, who in first instance denied that they still source from KPR Mill and assured that they do regular audits. When confronted with export data, Earnings Family admitted they did source from KPR, but that this was a delayed delivery, and that they have cut ties with KPR because KPR Mills has breached Earnings Family’s Code of Conduct.

Other reports on Sumangali

‘Slavery on the High Street’, a report by Anti-Slavery International (1st June 2012), exposes the routine use of practices strongly resembling slavery in the supply chain of top UK brands. Anti-Slavery’s research covered manufacturers that were not included in the SOMO/ICN research (SP Apparel, SCM and Prem Group) and who supply to brands such as H&M, Walmart and M&S.

(Visit all the reports published by SOMO and ICN on this matter by following http://somo.n/publications-copy/Publications_2016.html)