



SAVE

AUGUST -2017

News Letter

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Social Awareness and Voluntary Education (SAVE)

SAVE (Social Awareness and Voluntary Education) is a registered Indian Non-Governmental Organization, promoted in the year 1993, as a growing response to the challenge of preventing the child labor practices. Internalizing the fact that the issue of child labor needs to be addressed in a multipronged strategy SAVE expanded its intervention among women and textile and garment industry workers focusing promotion of the comprehensive rights of the garment and textile industry workers and empowerment of women. Currently SAVE reaches out to children, young women, women, textile and garment workers including the migrant workers.

Since 1995, SAVE has been carrying out programs among children in distress primarily among the children working in textile and hazardous industries with specific emphasis on promotion of health and educational rights through special schooling for the drop out children and child labourers and through vocational training support. Community sensitization is one of the main activities towards prevention of child labor. SAVE initiated campaigns and advocacy strategies could mainstream the issues of child labor and the plight of young girls in the garment and textile industry. SAVE has the unique credibility of being the champion organization in exposing the child labor issues in Tirupur.

TIRUPUR UPDATE: A NEWSLETTER OF SAVE

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Garments

Mutual agreement with Odisha: Decision of industrialists Dinamalar August 1, 2017

Tirupur: Both the Skill Development Department of Odisha and Tirupur's Nift Tea College of Knitwear Fashion have entered into a mutual agreement.

The Odisha government is building up the infrastructure of the garment industry in order to promote employment opportunities. Therefore, it has prepared textile policies with the provision of concessions on a large scale. Various garment companies in Tirupur are prepared to implement the structure in the Textile Park to be established.

As a result of these initiatives, the members the Export Association - Murugesan, Dinesh, Mohan, Parameshwaran, Prakash, Ravichandran, Padmanaban and Sivagnanam (head of the Skill Development Department at the Nift Tea College_ - have paid a visit to Odisha. They spent two days in a place near Buvaneshwar where the Textile Park will be founded. The members also observed the infrastructure for the Skill Development Training Centre.

They held a discussion with Subrado Bakshi, the president of the Odisha Skill Development Council and officials related to the textile industry. The discussion on the mutual agreement in accordance with the skill development training will be provided to the appointed labourers on behalf of the Nift Tea College.

The officials of the Odisha government accepted the demands of the Tirupur industrialists. The officials also stated that if there were any suggestions and requirements from the garment industrialists, to submit the same before their government in order that they may be fulfilled.

On this note, the industrialists of Tirupur are making preparations for further concessions and other such details required for the foundation of textile infrastructure in the state including the mutual agreement with the Skill Development Department of Odisha.

The increment amount for the export drawback must not be reduced – letter of appeal to the Prime Minister The Hindu August 15, 2017

Tirupur: On behalf of the garment industrialists, M.P. Muthurathinam, the president of Tirupur Exporters and Manufactures Association, sent a letter of appeal to Prime Minister Narendra Modi requesting not to reduce the increment amount for the export drawback being provided by the central government.

The most significant aspect of export business is the provision of increments. During 1990, the increment was 26 percent. After the provision of that increment, the Tirupur garment export business began to develop. Since then, there were several changes made

in the course of time. The most recent increment amounted to 75 percent. As per the report, the increment was reduced by 25 percent and it rests at 5 percent at present.

Tirupur garment industrialists cannot accept the implementation of reduced increments because the export business will be severely affected. The garment export business is taking out loans from various banks and competing with other countries. To promote the garment export business in those overseas countries, the drawbacks and incentives are being provided. It is one of the most supportive practices for the development of the garment export business.

Therefore, in order that Tirupur remain competitive with other garment markets around the world, the central government is requested to provide the drawback increment without reduction. Once again, the central government must take initiatives to reduce the interest amount for the loans offered by the banks.

Permanent residential accommodation is an expectation of garment workers Dinakaran, August 19, 2017

Tirupur: Most of the workers employed in Tirupur have migrated from various districts. Among them, the number of workers from the Southern district is much higher than from the others.

On account of this, many of the garment companies in Tirupur attract workers from outside Tirupur with the assurance of the provision of residential accommodation.

Workers living alone are accommodated in in rooms provided by the company wherein they work. However, workers with families do not like the facilities being provided. As a result, these workers find it difficult to find suitable and affordable rental accommodation.

To address the problem of the lack of suitable accommodation for migrant workers, the MLAs such as Gunasekaran (Tirupur South), Natarajan (Palladam) and Vijayakumar (Tirupur North) participated in the Knit Show event on August 11th in Tirupur and pledged that the industrialists would select and provide the sufficient accommodation places. The government will arrange to construct the houses for the workers. Because of this assurance, the workers have reasonable expectations that they will be given residential accommodation in Tirupur.

Related to this topic, the trade union representative said: "The government has already announced that the apartments will be constructed for the residential accommodation of workers. However, the government maintains a dead silence regarding the proposal for the construction of houses for the workers. A few announcements are being made now and then but the required steps to be taken are yet to begin. Therefore, the workers continue to suffer from the payment of higher rents for their present accommodation. On account of this, the workers are reluctant to come to Tirupur. As a result, the industrialists bring the workers from outside with the assurance of providing them with free residential accommodation for them and their families.

“If the residential accommodation would be provided to the workers, they will come to Tirupur with confidence. There is no doubt that the long running problem of worker shortage will be solved. All the industrialists must make a joint effort to take the necessary initiatives in such a way to fulfill these demands.”

SISMA insists Tirupur Small, Mini industrialists to register in GST Daily Thanthi August 22, 2017

Tirupur: Various complications have arisen in the textile industry since the introduction of the Goods and Services Tax (GST) throughout the nation. As a result, the Tirupur garment companies are facing a lot of problems. The taxation in the manufacturing activities has undergone too many changes in reaction to the demands raised by the industrialists.

As per the government order, the export companies along with the small, mini and middle companies that earn a particular income, must be brought into the GST. There are many job work companies, garment companies and wholesale merchants who are yet to implement the GST. This lack of implementation is directly correlated to the lack of awareness about the GST. SISMA insists that the aforementioned types of companies must be registered under the rules and regulations of the government.

As per the version of Babuji, the General Secretary of SISMA:

“Unlike the previous year, the garment industrialists are subjected to conduct their business under the rules and regulations derived by the government at present. Whether the industrialists do their job work within a house or in [a place of business] they must be brought into the remit of the GST in accordance with the compulsion of the government. If they fail to do so, they would face problems during inspections carried out by the concerned authorities. Therefore, all the garment industrialists must follow the rules and regulations of the government in such a way as to conduct their business without hassle.”

Garment exporters find unique way to penetrate into less explored markets in liaison with different Embassies The Hindu August 24, 2017

Tirupur: A group of 10 garment exporters from Tirupur cluster are now in Czech Republic participating in an international trade fair in their attempt to penetrate into the less tapped foreign markets. The participation in the event may sound normal at the first glance.

Link

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/garment-exporters-find-unique-way-to-penetrate-into-less-explored-markets-in-liaison-with-different-embassies/article19549592.ece>

But what makes it unique was that the step been part of a mammoth effort recently been initiated by these exporters to liaison with respective Indian embassies in less explored countries like Czech Republic, few other East European countries and Australia, to know about the trade promotion fairs and then participate in it with the Embassy support.

“The Czech trip is the first of the initiatives happened. We are in liaison with Indian Embassies in other countries too”, M. Anand, an executive committee member and chairman of trade promotion committee in Tirupur Exporters Association, who is among the 10 exporters in the venture, told The Hindu.

D. M. Kumar, another member of entourage, said the participation in trade fairs in newer markets was essential to understand the emerging trends preferred by buyers/customers besides displaying value-added novel product portfolio from Tirupur.

“We selected the countries where the market penetration of Tirupur knitwear products at present are at an abysmal low but holds good potential if tapped properly. For Czech event, the Embassy gave a little financial assistance too”, he said.

In the Czech fair, the exporters from here had displayed T-shirts, sportswear and under garments, among others, competing with their counterparts from China, Bangladesh, Cambodia, Polan, Turkey and Hungary, among others.

Dyeing Issues

Waiting for the permission from corporation for the effluent water treatment as per the requirements of dyeing factories – president of Exporters Association informs Dinakaran August 25, 2017

Tirupur: About 11 crore litres of water is required for the dyeing factories per day. The corporation must grant permission for the treatment of drainage water at the earliest in accordance with the demand of the Tirupur Exporters Association (TEA) President.

Regarding this, Raja M Shanmugam, the President of TEA said: “A large quantity of water is required for the dyeing factories. We recycle a quantity of 10 crore litres water for the use of dyeing factories in Tirupur. Apart from this we require one crore litres of water per day.

“Since the monsoon has failed, the wells and bore wells have been affected due to the reduction in the groundwater level. Hence, we have to spend thousands of rupees per day to bring water by lorries. At the same time, the drainage water in Tirupur Corporation is discharged into the Noyyal River and its channels. It is possible to treat the drainage water from the river and tanks by taking it through pipes to the effluent water treatment centre. Thus we can manage the shortage of water in the dyeing factories. To do this the corporation must grant permission.

“So the central government must take steps to arrange for the construction of a garment board and garment research centres in Tirupur. Also, the central government must take initiatives to provide residential accommodation to the labourers by the construction of special colonies.

“At the present, about 3.5 percent of garment export alone continues to remain since we have a large number of youth and the cotton production is too much. We can increase the garments export up to 20 percent. Our target in the current year is Rs. 30 thousand crore. However, we have reached about Rs. 26 thousand crore. To become number one in the garment export the central government must take the necessary steps.”

Migrants

A gang of exploiters in Tirupur cheat the workers by false promises Dinakaran, August 8, 2017

Tirupur: A complaint has been received in which it is alleged that there are brokers collecting thousands of rupees from the northern state migrant workers coming to Tirupur in search of employment on the basis of false promises.

Many workers from other districts as well as other states are coming to Tirupur, an industrial centre. More than 500 persons from the northern states are migrating to Tirupur by train per day. Agents who have already booked these migrant workers take charge.

Where agents are not in control, the migrant workers rely on their friends or relatives already living and working in Tirupur to provide them with accommodation. In due course, the migrant workers find employment for themselves.

People who have come to this industrial centre without any previous experience are being treated badly by the brokers. The brokers identify the migrant workers in the railway station and talk to them. Later, the brokers give false promises that they will arrange employment for the workers and collect money from them. The brokers do not mention the name of the company. The broker speaks in Hindi so the migrants believe in him and follow.

Somehow the brokers manage to collect an amount of Rs. 1,000 per head and arrange to employ the migrant workers in a garment company. There is a bad impression about Tirupur among northern state workers who believe that the employment will be possible only by the payment of a broker fee.

Since the workers from the northern states are coming to Tirupur every day, a help centre (with the permission of railway authorities) must be founded on behalf of the garment industrialists. The details of the workers available, the names of companies that offer employment, and the contact numbers must be provided to the migrant workers in order to protect them from exploitation. To do this, the government must come forward to take initiatives.



Centre mulls changing minimum wages formula - Panel decides to form committee to look into calculation

The Hindu August 3, 2017

New Delhi: The Central government is mulling a revision in the formula to calculate minimum wages that may increase income levels of workers across the country.

The Central Advisory Committee on Minimum Wages, headed by Labour and Employment Minister Pandaru Thattatreya, met here and decided to constitute a committee to deliberate the proposed changes in the calculation of minimum wages for workers.

“The laid down norms to fix the minimum wages is not commensurate for the present day workers. We have decided to constitute a committee to re-look at the norms for fixing minimum wages,” Thattatreya said here in a press conference.

He said the committee would deliberate upon the following factors while recommending a new formula for minimum wages — number of units per family, inclusion of dependant parents and “treatment of women and children at par with the male family member.”

Norms criteria

The norms for fixing minimum wages today are based on recommendations of the Indian Labour Conference in 1957. Under it, the minimum wage level for industries is fixed based on spending estimates for a working class family on 2,700 calories of food per person, 72 yards clothes, minimum housing rent and education and light and fuel. A standard working class family consists of three consumption units for one earner with earnings of women, children and adolescents being disregarded.

RSS-affiliated Bharatiya Mazdoor Sangh recommended the government to increase the total units for calculating minimum wages for a family from three to six, its organisation secretary (north-central region) Pawan Kumar said.

However, employer representatives, part of the Central Advisory Board, highlighted the inability to pay higher wage levels in case the formula for minimum wages is revised, a source present in the meeting said.

Mr. Dattatreya said the Union Cabinet had approved a labour code on Minimum Wages.



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<http://www.thehindu.com/news/national/centre-mulls-changing-minimum-wages-formula/article19421477.ece>

Plan to hike minimum wages may adversely affect T.N. - 'Organised manufacturing sector will have to bear an additional cost of Rs. 1,300 cr.'
The Hindu August 28, 2017

Chennai: The organised manufacturing sector in Tamil Nadu, the largest employment generator in the country, may be worst affected by the proposed move to increase minimum wages to Rs. 18,000 per month per worker, according to a report.

Brokerage firm Motilal Oswal used the data from the Annual Survey of Industries available till the financial year 2015 and analysed the impact of doubling of minimum wages in the organised manufacturing sector. According to the report, Tamil Nadu is the biggest employer housing 17 lakh people out of the total 1.1 crore people employed in the organised manufacturing sector in the country. The State houses leading car makers and also other major industries.

Nikhil Gupta and Rahul Agrawal, analysts at Motilal Oswal, estimate that the average monthly wages would be Rs. 12,672 per worker in the State's organised manufacturing sector. They estimate that the sector in the State would incur an additional cost of Rs. 1,300 crore. Overall, the move would cost at least Rs. 4,700 crore for the organised manufacturing sector in India, according to the firm.

Traditional labour-intensive industries such as 'tobacco products,' 'wearing apparels,' 'leather products,' 'textiles' and 'food products & beverages' would be worst affected, as the average wages were very low in these industries, Motilal Oswal said.

The research firm also warned that the proposed move could potentially restrict employment growth in the manufacturing sector and hurt the government's plan to create 100 million manufacturing jobs by 2022.

[Merchandise exports](#)

Expensive labour would hurt labour-intensive export-oriented sectors such as textiles, which account for more than 15% of total merchandise exports, it added. The analysts also noted that the move may result in shift from the organised to unorganised sector – in complete contrast to the government's intention.

Link

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/plan-to-hike-minimum-wages-may-adversely-affect-tn/article19572950.ece>

Trade Union

Payment of monthly salary must be implemented immediately – Trade unionists demand

Daily Thanthi August 23, 2017

Tirupur: At present, the meeting wages are being paid to the workers of the garment companies in Tirupur. It is expected that the workers will have to face a lot of issues due to the payment of weekly wages. Therefore, in accordance with the demand of trade unionists, the weekly payment to the workers must be changed to a monthly payment of salary. Based on this, the Tirupur trade unionists within the garment industry demanded that the owners take initiatives related to this issue.

Regarding this, the Tirupur trade unionists said:

“The money transaction schemes introduced by the Prime Minister are better suited to monthly salaries than weekly wages. The money transactions will be operated through the banks as necessary. The salary being paid to the labourers, including the other incomes, are brought to the worker’s bank account in such a way that they can receive the money from there for their expenditures.

“Furthermore, the weekly payment of wages to the workers are in many ways troublesome for the garment manufacturers. With monthly wages, the manufacturers can deposit the required amount in the bank for the payment of salaries to the labourers. In addition, it is also beneficial in allowing manufacturers to make proper plans for their expenditures every month.

“By means of this practice one can properly make out plans for expenditure and also maintain the habit of saving. This is most useful from a labour perspective also. The reason is that labourers work for three or four days per week and as a result the garment companies face a loss due to low production. If the monthly salary is provided to labourers, they will come to work consistently throughout the month. The steady attendance of workers means that the companies can complete their orders in time. So the trade unions and the industrial association must take the necessary steps in order to provide a monthly salary to all the workers.”

Deepavali bonus steps must be taken demand by the trade unionists

Daily Thanthi August 24 2017

Tirupur: Lakhs of garment workers from various places throughout India have been involved in the manufacturing of garments in Tirupur, known as the dollar city. As is customary, the Deepavali bonus will be given to all the workers of big, small, middle and mini companies on the eve of Deepavali.

The bonus being given to the workers every year requires more and more effort on the part of workers and their representatives. In the past, the Deepavali bonus was given only after an agitation conducted by the workers. The Deepavali festival will fall in the month of October. Therefore, the necessary steps must be taken at the earliest in such a way as to get the bonus in advance without problems.

Regarding this, a representative from the Banian Workers Union has said:

“The companies used to give bonuses on the grounds of income, business and salary. The workers have only received the Deepavali bonus after many agitations. Again the bonus is paid in the banian companies on the eve of the festival. In order to avoid such trivialities this year, the necessary steps must be taken in advance. Both the percentage of the bonus and the date of payment must be decided upon by consulting the trade unionists.”

Labour Law

Factories Act: Centre firm on amendment - Pane opposed move to 'lift' threshold The Hindu August 18, 2017

New Delhi: The Central government will go ahead with its proposal to amend the Factories Act of 1948 by giving flexibility to State governments to enhance the threshold limit over which a unit will be considered a factory despite concerns flaked by a Parliamentary Standing Committee.

The proposal was discussed in a tripartite meeting chaired by Labour Minister Bandaru Dattatreya on Wednesday with representatives of trade unions, industries and state governments.

In 2014, the Centre had proposed changes to the Factories Act following requests from state governments to enhance the threshold limits for coverage under the law. At present, the Factories Act applies to establishments with 10 or more workers, if it the premise is using power and to establishments with 20 or more workers, without the aid of power.

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<http://www.thehindu.com/business/factories-act-centre-firm-on-amendment/article19511319.ece>

A Parliamentary Standing Committee examining the proposed changes had, however, observed that “if the amendment is carried out more than 70 per cent of the factory establishments in the Country will be out of the coverage of the Factories Act and workers will be at the mercy of employers.”

The Ministry of Labour and Employment has not agreed to the observations of the Committee and has said in a note circulated to stakeholders that it has only given flexibility to state governments to fix the threshold limit and “all the factories including the one which employers a single worker may also be brought under the purview of the Act thus, in fact, increasing the total number of workers covered under the Act.”

The central trade unions unanimously opposed this move in the meeting held on Wednesday. “The size of factories in India has reduced dramatically from 100 workers 40 years ago to 10 workers due to increased automation. As a result, most factories in India have less than 40 workers. We demand the government to remove all threshold limits and apply the law to all factories irrespective of number of workers,” BMS President Saji Narayanan said.

However, the state governments will not be allowed to set the threshold limit for applicability of the factories law beyond 40 workers, as per the proposal of the Ministry of Labour and Employment.

The trade unions, including BMS, also opposed a proposal to allow entrepreneurs to give self-certified declaration on the safety, health and welfare standards of the factory to get approvals for setting up a factory.

Skill Development Training

**About 15 training centres will be founded throughout the state announces the garment industrialists
Dinamalar August 19, 2017**

Tirupur: The garment industrialists have decided to establish an industrial training centre for the youth and provide employment to them.

Tirupur garment industrialists have promised to pay more attention in the area of workers’ skill development. To do this, the industrialists are making use of the already existing central and state government schemes that train youths and find them employment opportunities.

The Ministry of Rural Development has been implementing the Dheen Dhangal Upadhyay Gramin Counsel Yojana Scheme. To train the youth under this scheme, the Nift Tea College of Knitwear Fashion has made a recommendation agreement with the authorities of the scheme.

To begin with, Nift Tea College has decided to establish labour training centres in Tamil Nadu and a syllabus comprising 12 types of training related to the garment manufacturing process. The college is going to establish the centres in the districts where the employment opportunities are rare and provide the beneficiaries with employment opportunities. By making use of the training centres in Tirupur, it is hoped that it would address the shortage of workers through appointing those who have completed the training to work in the garment companies.

Sivaganam, speaking on behalf of the Skill Development Department of Nift Tea College has said: "The works in regard to providing the training for the youths have started. About 15 centres will be established throughout Tamil Nadu. Thereafter, we will go on to establish the training centres in the states of Odisha and Telangana."



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