

## The New Developments in Tirupur

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### 1. About Tirupur

Tirupur is a textile center of Western Tamil Nadu, located 50 k.m. east of Coimbatore and the municipal area of the town sprawls over 27.20 Sq. Kms. covering a population of around seven hundred thousand. Predominantly an export niche, the town gains its significance for its updated technology and the quality of its macro economic environment. Buyers from 35 countries frequently air-dash Tirupur. Some 90 percent of India's total knitwear exports originate from here. The Indian Export Import Policy of 2002-2007 includes a special tribute to Tirupur and calls it a "Town of Export Excellence."

The first banyan factory in Tirupur was started in 1925. With the advent of electricity in 1931 more knitting and weaving factories came into existence. Initially, all the knitting machines were imported from Germany, Japan and New York. By 1942, there were 34 hosiery factories in all. By 1968 this increased to 250 and today sophisticated machines are being imported from Germany, Japan, Italy, U.S.A., Korea, Taiwan and many other countries. As documented by the Tirupur Exporters Association, the composition of the knitwear industry in Tirupur today is broadly classified as:

Knitting and/or stitching units	: 4500
Dyeing and/or bleaching units	: 750
Printing units	: 300
Embroidery units	: 100
Other (Compacting, Raising, Calendaring)	: 200

### 2. Post-quota textile boom:

With the abolition of quota system in January, 2005 and the imposition of a 10% cap on Chinese textile exports till 2008, the Indian textile exports are under a mega-bonanza altogether. As per data available from the Indian Govt., textile exports to U.S.A leaped up by 26 per cent and those to European countries increased by 18 per cent, since 2005. China's export growth in the last quarter of 2005-06 stood at nine per cent, while that of India went up to 13 per cent. However, there continues to be a sharp difference in value terms between exports from China and India. China clocked \$120 billion in export of textiles and clothing in 2005, while India earned a mere \$17 billion that year.

Tirupur that accounts for 90% of India's cotton knitwear export has gained the most in the milieu of the post-quota textile boom. Its export earnings shot up from Rs.4726 crores in 2004 to an estimated Rs. 8000 crores in 2006, nearly a 70% growth in two years.

The bustling business of knitwear exports crossed Rs.9,600 crore between January and December 2006.

Correspondingly, Tirupur is passing through a revolutionary renovation: 1) at the level of the individual plants; 2) the level of joint-facilities such as apparel parks, clearing houses, marketing net-works etc. and 3) the level of civic infrastructure.

This article briefly describes the recent developments in Tirupur Garment industry, including the apparel parks, new factories on the outskirts of Tirupur, initiatives of Employers' Associations, emergence of code of conducts such as FWF, SA 8000, WRC, FLA, ETI, BSCI and WRAP, Chambers of Commerce, new initiatives of ILO and other institutions like Textile Committee (TC) and Apparel Export Promotion Council (AEPC).

### 3. Up-scaling of Individual Plants:

Investment expansion is taking place in the order of US\$ 217.39 million in Tirupur textile industries, as a whole. In the past few years, nearly 400 units have taken up to modernization of their production processes. About 2000 new knitting machines have been imported from abroad. Soft flowing dyeing machines, compacting machines for minimizing residual shrinkage, dyeing machines, computerized color matching systems and stenter machines for removing deformity in knitwear are some of the new machines imported.

The manufacturers of circular knitting machines and dyeing machinery are mainly located in Punjab, especially in Ludhiana and Amritsar. However, the commission agents and dealers for both indigenous and imported machinery are based in Tirupur itself, providing access to the latest models available worldwide. An important agent, among others providing imported machines, is “Mehala group of companies”, with a total employees strength of 350 persons and a dozen individual enterprises. Besides supplying machinery, they undertake servicing of the machines, and provide training to the industry workers in machine operation, servicing and maintenance. Other leading companies like Juhi have also opened their branch in Tirupur.

### 4. Initiatives of Govt. bodies and Employers' Associations:

#### *a. Textiles Committee (Ministry of Textiles, Government of India)*

The Parliament in its 14<sup>th</sup> year of the Republic enacted the Textiles Committee Act, 1963. The Committee is under the administrative control of the Ministry of Textiles, Government of India.

Its main objective is to ensure the quality of textiles and textile machinery both for internal consumption and export purposes. As corollary objectives, the Textiles Committee has been entrusted with the following functions, under Section 4 of the Act:

- To undertake, assist and encourage, scientific, technological and economic research.
- To establish standard specifications for textiles, textile machinery and the packing materials.
- To establish laboratories for the testing of textiles and textile machinery.
- To provide training in the techniques of quality control.
- To provide for the inspection and examination of textiles and textile machinery.
- To promote export of textiles.
- To collect statistics and
- To advise the Central Government on all matters relating to textiles and textile machinery, etc.

The Textiles Committee is managed by a Committee comprising of 29 members as laid down under Section 3(3) of the Act and Rule 3 of the Textiles Committee Rules, 1965. It comprises of a Chairman ( a member from the Industry), a Vice-chairman (Textile Commissioner from the Govt. -ex-officio), and a Member Secretary, who is the Chief Executive of the organisation. There are 12 ex-officio members representing various Textile Federations, Export Promotion Councils etc., and 14 other members representing almost all interests of the textile sector. The Committee has powers to constitute Standing Committees and Ad hoc Committees. Email : [tctirupur@eth.net](mailto:tctirupur@eth.net), Internet : [www.textilescommittee.nic.in](http://www.textilescommittee.nic.in)

### ***b. Apparel Export Promotion Council (AEPC)***

Apparel Export Promotion Council (AEPC), a nodal agency under the aegis of the Ministry of Textiles, Government of India, has been entrusted with the task of working towards projecting India's image and introducing Indian Apparel Exporters to the International market.

All exporters of apparel in India are members of the AEPC, helping its over 40,000 registered members of both woven and knitted items develop long-term relationship with leading fashion houses overseas and offers them wide range of export promotion services. Email : [indiaknitfair@dataone.in](mailto:indiaknitfair@dataone.in), Internet : <http://www.indiaknitfair.com>

### ***c. Technology Up gradation Fund (TUF)***

The Technology Up gradation Fund (TUF) scheme was introduced by the Government of India in 1999 in order to enhance the competitiveness of the Indian Textile industries in the global market. The scheme is periodically extended by the government. The stipulated TUF fund for the current phase is to be over by 2007 march. Because of the initiatives of the industrialists the textile ministry was considering the extension beyond March 2007.

The center is envisaging an investment of Rs. 1.4 lakh crores (in the textile sector) by 2010 and the government's goal through the textile industry is about \$50 billion. In order to accelerate the growth of technical textiles, the center had designated SAMIRA (Synthetic and Art Silk Mills Research Association) as a nodal agency for this segment.

## **5. Various Associations at Tirupur**

### ***a. List of various associations***

- Tirupur Dyers Association
- Tirupur Export cloth Manufacturer's Association
- Banyan cloth Manufacturer's Association
- Computer Embroidery Association
- Coimbatore District Power Loom cloth Merchant's Association
- Indian Hosiery Textile Association
- Tirupur Bleacher's Association
- Tirupur Collar stitching Section Sangam
- Tirupur Cotton Merchant Association
- Tirupur Hosiery yarn Merchant's Association
- Tirupur Kaja button owner's Association
- Tirupur Merchants Association
- Tirupur Nero Tape Manufacturer's Association
- Tirupur Power Table Owner's Association
- Tirupur Screen Printing Association
- Tirupur Power loom Association
- Tirupur Steam Calendaring Association

### ***b. South India Hosiery Manufacturers Association (SIHMA)***

Established in the year 1956, the South India Hosiery Manufacturer's Association (SIHMA) is the oldest and the biggest in the town. It was started with an initial membership of 106

manufacturers and has increased to 1400 manufacturers including 600 exporters. The association provides the following consultancy services to the members:

- ❖ Legal
- ❖ Provident fund and Employees State Insurance
- ❖ Labor Act
- ❖ Inspector of Factories
- ❖ Sales Tax
- ❖ Labor and Payment disputes conciliation
- ❖ Training to upgrade existing workforce in the industry
- ❖ Bringing in Fashion forecasting and Trend analysis information to the industry.

### ***c. Tirupur Exporters Association (TEA)***

TEA was established in the year 1990. It is an Association exclusively for the cotton knitwear having production facilities in Tirupur. TEA has a membership of 532 life members and 154 associate members. The members have resolved to develop their organization focusing on:

- ❖ Multilateral growth of knitwear industry and export
- ❖ Development of infrastructural needs for Tirupur
- ❖ Implementation of scheme for the benefit of the society and for the public
- ❖ Promotion of constructive cooperation with workers with fair division of reward
- ❖ General upliftment of quality of life of Tirupur

For foreign buyers TEA offers conferencing and secretarial service, help in locating suitable suppliers and help in resolving disputes.

- ❖ **Inland Container Depot:** In order to ensure efficient handling of cargo movement from Tirupur to gateway ports , TEA jointly with TEA / LEMUR established a container freight station in Tirupur .This container Terminal TEA-LEMUR originally named as Container Terminals (P) Ltd . (TLCTPL) has been functioning since August 1995 and is now operating in the changed name of Tirupur Container Corporation.
- ❖ **INDIA KNIT FAIR:** In order to promote exports and help the buyers in selecting their requirements of the Knitwear and suppliers, TEA is holding a knitwear Fair since 1995, in collaboration with AEPC. So far 21 fairs have been held. TEA & AEPC have jointly promoted a society -INDIA KNIT FAIR ASSOCIATION- to create permanent trade fair facilities in Tirupur and for raising the standard of the fair to international standards. This society mobilized financial support from leading exporters all over the country towards this purpose. Apart from knitwear trade fairs other trade fairs are also conducted in this modern complex. The need for diversification of product range was a serious concern of TEA for quiet sometime. Having encouraged its members to launch Winter Collection production for the European and American market, it is holding an exclusive AUTUMN-WINTER FAIR, in the month of Sep. apart from the SUMMER FAIR in April - May.
- ❖ **St. John Freight Systems Ltd.,** is a Tuticorin based company providing logistics, with 22 branches / 35 offices in India and 4 Overseas Subsidiaries in Belgium, Singapore, UK and USA.. St. John is an ISO 9001:2000 certified company, controlling over 45,000 TEUS of throughput as Forwarders / Custom House Agent. The company has also a proposal to establish offices in China, Dubai and Germany this year. TEA and St. John Freight Systems Ltd., have formed a Joint Venture Company in India of 50 : 50 ratio, in the name of TEA - St. JOHN LOGISTICS PRIVATE LIMITED and it was registered on 16th February, 2006.. The new JV

company having registered office in Tirupur and Administrative Office in Tuticorin has floated a subsidiary company in Antwerp, Belgium for warehousing and distribution of garments in Europe. The JV company will give one stop solution for end to end service with focus on Supply Chain for garment distribution at Antwerp, Belgium.

The Port of Antwerp is one of the most central port facilities on Europe's North Sea, providing rapid goods transit to major European markets and industrial centres. It is linked directly into the European rail, road and waterway networks and holds a leading position in the European transport and logistics industries. The Port of Antwerp offers some 300 liner services providing some 14,000 sailings to more than 800 destinations both overseas and inland. The Port offers more than 5 million square metres of covered warehouse space.

- ❖ Presently, St. John - Antwerp has tied up with major Warehouse Operator in Antwerp for warehousing, distribution and outsourcing transportation locally. In future, the JVC plans to have its own retail shops / showroom in major cities in Europe and own warehouse in Antwerp. Further to success of this venture, similar joint venture subsidiary company could be started in UK and USA also.
- ❖ TEA has also entered into an MoU with Indian Institute of Foreign Trade ( I.I.F.T), New Delhi, to receive information on the strengths and weaknesses of the buyer, the importing country and existing market trends, supplied to IIFT through leading International Data-bank Agencies. Exchange of communication between IIFT and TEA members will be possible either on-line or through video-conferencing. Such data is considered crucial to strengthen the bargaining power of employers at Tirupur.
- ❖ NIFT-TEA Knit-wear Fashion Institute, was promoted for the purpose of providing necessary human resources skill required for the industry. It conducts full time courses to train the fresher. To upgrade the skills of the human resources that are already employed in the cluster part time training program for executive and entrepreneurs are conducted with the financial assistance of SIDBI.

## 6. Major Developments:

### *a. Netaji Apparel Park*

**Netaji Apparel Park**, established along the Avanashi - Perumanalloor National High Way, in a combined effort by the Government and the Tirupur Exporters Association, rolled of its production from Jan. 2005 onwards. In addition to an investment of Rs. 92.00 crores on infrastructure and factory buildings on this park about Rs.150.00 crores is being invested on machinery. There are 46 plots of 1.8 acres each and 8 plots at 3.6 each with excellent roads of 60 feet breadth for easy transportation of containers. Infrastructure facilities like water supply, drainage sewerage, training center, display hall, production facilities of international standards have been ensured in addition to an exclusive captive power plant. The Park has 53 companies engaged on knit-wear production alone. A standard unit here produces 7500 pieces per day, for a total value of \$ 22,500. If all the units are engaged for 240 days a year, the annual turn over will be Rs. 1500 crores. Wet processing like dyeing and printing are excluded from the park. Hence the need for Common Effluent Plant has been done away with. Rain water harvesting along with suitable arrangements for sewerage treatment has been provided for. A green belt is developed through 2500 avenues of trees, besides lawns, flowering bushes and plants. The park currently enrolls 10000 workers.

#### **b. Tirupur Export Knitwear Industrial Complex. (SIDCO INDUSTRIAL ESTATE)**

Tirupur Export Knitwear Industrial Complex was established in 1992 at Mudalipalayam village in a space of 100 acres of in the outskirts of Tirupur town. In this 189 sheds were built in 4200 square feet area. The campus has Knitting, Garment Production and labeling units. More than 10000 workers are employed in the various units of the campus. It is a specialized garment export zone. The annual turnover is an estimate of Rs. 650 crores. The complex has Drinking water facilities; Road access and dispensary services. The complex is preparing to avail the natural energy of wind mill in future. The proposal of construction of a Hostel for the women worker's is under way.

#### **c. New Tirupur Area Development Corporation Ltd. (NTADCL)**

NTADCL was formed under public and private partnership to carry out water supply and sanitation project at an outlay of Rs. 1,023 crores. It is to cater to the water needs of the industries as well as the public. NTADCL also takes care of the drainage system of the Tirupur municipality.

#### **d. Indo- Italian Chamber of Commerce**

The AEPC and Italian Chamber of Commerce Industry (ICCI) have signed a Memorandum Of Understanding (MoU) to enhance the bilateral trade between the countries by working for the maintenance of free trade and fair market access principles, promoting strategic alliances between products of yarns, fabrics and clothing in India and Italy and by taking advantages of trade fairs organized in the two countries, grouping manufacturers and dealers in exclusive needs in both the countries for show casing each others manufacturing capabilities and market demands.

The MoU also aims at promoting higher level of investments in the textile and clothing sector by undertaking a study of the value added chain in the textile and clothing sector in both the countries with a view to identifying possibilities of foreign investment, recommending areas for entering into joint ventures, undertaking regular investment promotion missions and compiling a compendium of procedures followed by each countries for approval of foreign investments in apparel sector.

#### **e. Tirupur Industrial Federation (TIF)**

Tirupur Industrial Federation (TIF) is a net-work of four major associations: Computer Embroidery Owners' Association, Imported Knitting Machine Owners' Association, Compacting Machine Owners' Association and Raising Machine Owners' Association. All major sub-contract companies, otherwise known as "Job-work companies" are members of this federation. TIF strives to bridge the gap of inequality among the companies that have the upgraded modern facilities but get fewer orders.

Recently TIF was granted Rs. 6.27 lakh by the Department of Small-scale Industries to establish a "Sub-contract Exchange Scheme" at Tirupur. The data-base of all Sub-contract units including the availability of machines will be updated on a daily basis and orders received from Buyers and Major Exporters will be distributed accordingly. The Govt. has formally sanctioned the Sub-contract Exchange Scheme at Tirupur. The new office for TIF located at Knit-Compacting Association building inside Binny Compound will handle the sub-contract exchange scheme.

#### **f. J.S. Apparel Park**

J.M. Promoters have initiated an entirely private 4 acre Apparel Park called J.S. Apparel Park, in Thirumurugan Poondi of Avinasi Main Road, situated at 10 kms. from Tirupur railway station. The park will have 23 units in addition to a Mess, Seminar Hall, 36 ft. roads and exclusive water facility. Each unit will occupy 4200 sq. ft land and will have a 6000 sq. ft building, at a cost of Rs. 50-70 lakh. The park will be functional from Jan. 2007 onwards.

**g. Hostels:**

The Netaji Apparel Park (NAP) and Tirupur Export Knitwear Industrial Complex (TEKIC) have donated 2 acres and 2600 sq. ft of land respectively for the construction of hostels. The former will accommodate 1000 women and the latter 500 women. The central govt. provides 75 per cent of the project cost as grant and the rest will be raised by the industry. Tenders for an estimated cost of Rs. 5 crores are already floated and the work is expected to begin by January 07.

**h. British fashion retailer, NEXT**

British fashion retailer, NEXT, which has over 400 chain stores in the UK and Ireland, rolled out a whopping Rs.100 crore plan for knitted garments from Tirupur for the year 2006. It will source 40 lakh pieces, each costing around \$6. Till recently NEXT was outsourcing its apparel requirements mainly in China, Turkey, Hong Kong, Sri Lanka, Romania and Thailand. Due to price hike in Sri Lanka and many other factors, the company's budget for India has been increased by more than 60 per cent this year

**7. Code of Conduct and other developments**

**a. Initiative of ILO**

Since 2003, Fair Wear Foundation has been actively promoting respect for labour standards in Tirupur, a garment-producing hub in Southern India. In cooperation with others FWF has been trying to set up a social dialogue platform to discuss and improve the application of labour standards in the exporting firms of Tirupur. An important impediment to the development of the platform was the reluctance of the employers organisation TEA to give its full support. To move the initiative forward, the ILO was requested to take the lead in this project and to apply ILO's Factory Improvement Programme in close consultation with TEA.

ILO' Factory Improvement Programme (FIP) is a multi-supplier training programme for the development of local factories' capacity in industrial relations, health and safety and working conditions, linking to areas of productivity and quality. The ILO is going to implement the program in Tirupur with the twin aim of raising factories capacities to comply with International Labor Standards (ILS) and increasing their productivity, competitiveness and profitability. The program involves small groups of factories for a six to nine month training and factory-level consulting / improvement program. Short training sessions for each module are followed by factory visits and consulting in the specific needs of individual factories.

FWF will ask its member companies to encourage their Tirupur suppliers to take part in this program.

The FIP does not foresee in an active involvement of the unions. Thus at the same time, FWF, ILO, GTZ/IGEP (Indo-German Export Promotion Program), and other partners in the project will start an additional program of activities with the unions with the ultimate aim to prepare them for being part of the Social Dialogue Forum in Tirupur.

The funds proposed by FWF and IGEP will be utilised for capacity building of Trade Unions, whereas ILO will fund the FIP part of the project.

#### ***b. Steering group to address issues of social audits in Tirupur***

Seven major Trade Unions and five NGOs working in garment sector of Tirupur, have formed a 12 member Steering Group to work together in making social audits in garment sector more effective in addressing labour and environmental issues, and to work towards making Tirupur a model garment cluster of the world.

The trade union members include CITU, AITUC, INTUC, LPF, ATP, MLF, and HMS. The NGO members are Partners in Change (PiC), SAVE, CSED, CARE and EPIC-IN.

The Steering Group (SG) has decided to work with SA 8000 codes (Social Accountability International codes) in the beginning as majority of the garment companies in Tirupur are adopting SA 8000 standards. Subsequently, it would engage with various other multi-stakeholder code-setting bodies.

The SG agreed would get involved in the following activities: Pre-Audit and Post-Audit consultations; Independent monitoring of compliance of the codes of conduct; Verification of the remediation programmes initiated by the factory; Filing of complaints and reporting on serious violations of the codes; Training for the workers on codes of conduct at the factory floor.

The SG felt that very rarely, the auditors consult trade unions and NGOs before audit and after audit and they have no role in monitoring the progress made by the companies on the remediation programmes chalked out by the audit agencies. Hence, the SG feels that they need to be involved in preparing and following up audits at the production level if good quality monitoring and credible verification is to take place.

It is important that the workers are aware of the codes so that they can have faith and fully participate in audits, and make the implementation of codes more sustainable. For this purpose, the SG would be initiating a series a training of trainer programmes on SA 8000 codes for the workers and their representatives at the factory floor.

Over the last two years, the members of the SG have been analyzing and assessing various aspects of the codes of conduct in the garment cluster of Tirupur as part of a project led by Partners in Change, an Indian NGO working on Corporate Social Responsibility in collaboration with Netherlands based Solidaridad. This project resulted in the publication of *Knitted Together-Multistakeholder Perspective on Social, Economic and Environmental Issues in the Tirupur Garment Cluster (in English and Tamil)*, which is a first holistic analysis of the Tirupur garment cluster. A number of meetings and training programmes were held during the last two years under the project in which Trade Unions, NGOs, Workers, Factory owners and concerned government agencies such as Textiles Committee, Provident Fund Department, Tirupur Municipality etc have participated.

The Tirupur office of Partners in Change would host the secretariat of the Steering Group for the initial one year. Partners in change is a non profit organization established by the ACTIONAID International India in 1995 to pro actively engage with business and to maximize their impact on the lives of the most vulnerable and marginalized stakeholders in a positive manner. Partners in change recognize that there are various stages of evaluation towards the integration of corporate social responsibilities as an essential business process and helps business at all stages. Identifying stakeholders, their relevant issues and managing these 4 relationships developing CSR policies and guidelines, trainings/sensitizing company's staff, benchmarking a company's social responsibility program, establishing CSR management system, social audit keeping the company abreast

of latest issues in development and social responsibility through publication, seminar, workshop and the website.

### ***c. Promotion of code of conduct***

Various actors are involved in the promotion of the code of conduct in the textile and garment industries of Tirupur. FWF, SA 8000, WRC, FLA, ETI, AVE/ BSCI, WRAP are the major Code of Conduct and some of them are known as multi stakeholder initiatives. They are actively involved in certifying. Their needs are catered by SGS, ITS, BVQI, DNV, CONQUEST, RINA, LINK and many others are found active in Tirupur.

## **8. NGO - SAVE**

Social Awareness and Voluntary Education known as SAVE, is a Non Government Organization founded in the year 1993, in response to the increasing child labor practices but eventually addressed the empowerment of women and comprehensive development of the textile and garment industry workers of Tirupur. Since then SAVE has been operating as a relentless campaigner for the protection and promotion of the rights of children, women and workers.

SAVE focuses on the following area:

- ❖ Mainstreaming of child laborers and children at risk- Street children, Runaway children
- ❖ Empowerment of street youth
- ❖ Assertion of the rights of Migrant workers
- ❖ Promotion of the rights of garment and textile workers
- ❖ Protection of the rights of discriminated and marginalized women and women in distress.
- ❖ Prevention of STD/HIV/AIDS.

### ***a. Child Rights Cell (CRC)***

Child Rights Cell (CRC) serves as a platform to redeem and rehabilitate the street children, run away children and railway children towards preventing child labor and child trafficking. CRC envisions to restore the lost childhood to the neglected children who become victims of child trafficking and child labor. It acts as a catalyst in making the child rights violation more visible. Non - Formal Education Centers, Transit Home, Bridge Course and Crèches are some of the regular programs of CRC.

### ***b. Women development cell (WDC)***

Women Development Cell (WDC) aims to facilitate and to enable the poor downtrodden and oppressed women towards their socio, economic, cultural and political empowerment. One of the core activities of WDC is the promotion of economic initiatives through the Self Help Groups (SHGs).

### ***c. Labour resource centre (LRC)***

Labour Resource Center (LRC) was promoted for restoration and protection of workers' rights, perceiving a drift in declining unionization and a resultant abating of protection for workers in garment factories in Tirupur.

Labor Resource Centre (LRC) acts as a catalyst to promote labor standards and the rights of workers through on site programs, residential area programs and through programs for Trade unions. The unit envisages the facilitation of a comprehensive work place policy.

## **9. The NGO network - the Tirupur People's Forum for Protection of Environment and Labour rights**

The Tirupur People's Forum for Protection of Environment and Labour rights (TPFPEL is selected as synonym) emerged as a response to the growing labour rights violation specifically the exploitation of the migration workers, women workers and the child labour in the Tirupur garment and textile industries and in response to the continued eroding of the environment due to the industrial and other pollutants of Tirupur. The forum is constituted with the consensus of the organizations that are involved in promotion and protection of workers rights, child rights and protection of environment rights in Tirupur as well with the organizations from the sourcing areas. Currently, following organizations are members of the Tirupur people's forum (TPFPEL) and listed here in alphabetic order CARE trust, CSED, Don Bosco Anbu Illam, Don Bosco Nest, Maryialaya, Manitham, Nava Jeevan Trust; SAND Trust and SAVE.

SAVE, Tirupur is the elected as the convener of the forum and its office will be secretariat for the present and first tenure of forum. The term of a convener will be for a period of two years. All partner organizations will be involved in the activities with financial support to each activity for which they are responsible. Action for environmental and labour rights protection is not to be centered on the hosting organization alone. Gradually more organizations will be brought in to strengthen TPF and it has commenced activities from 1<sup>st</sup> October 2006.

## **10. Major Issues of Tirupur**

### ***a. Water and River Pollution***

The development of garment cluster has its own ecological price; pre-historic Noyyal River is now clinically dead when it enters this region as a result of uncontrolled dyeing and bleaching activities an ancillary production process of garment production. The groundwater and soil fertility levels in Tirupur are very low. Orathupalayam irrigation dam built across Noyyal after it crosses Tirupur garment region, has become a dam for storing effluents. In the history of mankind, farmers used to demand water should be released from the dam but in this unique case of Orathupalayam dam downstream farmers always demand that the water should not be released. This is the testimony to the ecological disaster caused by garment export industry in the past 15 years.

Domestic garment production industry's impact on Noyyal river is low and this is evident from the fact that reservoir didn't face significant ecological threat after its construction in 1992 before the beginning of export boom which started in 1995 onwards. When the quantity of garment production increased steeply correspondingly effluents flow increased. There are significant evidences available to conclude that the garment industry has progressed here at the cost of ecological environment and livelihood of farmers. Despite the judicial intervention to resolve the crisis, the livelihood issues of downstream farmers like compensation for their agricultural loss and infertility of soil have become a longstanding unresolved issue.

The issue even resulted in dying units going on indefinite strike in January 2006. As the Dyers Association of Tirupur (DAT) did not receive any relief on the fine of six paise a litre for effluent treatment plants (ETP), nearly 600 dyeing and bleaching units nearby

Tirupur have stopped. This action of DAT would lead to a loss of Rs35 crore a day for the industry. More than 20,000 people are employed in various capacities in the industry.

#### ***b. Migrant workers and basic issues***

Tirupur is the largest growing community development block including its municipal area in terms of population and similar pattern of growth is found in Avinasi and Palladam blocks. The population of Tirupur block including municipality area was 302,637 in 1991 and now in 2001 it is 677,978, which is more than 124 % in terms of growth percentage. Tirupur is facing a crisis in terms of excessive mobile population as well as frequent migrants from other parts of the State and the country.

The basic infrastructure facilities like roads, drinking water, recreational space, adequate housing for migrant workers are missing adding further woes for workforce which survives in an already dampened working conditions in most of the small and medium knitting, stitching, packing, compacting, dyeing and bleaching units of this region. Migrant workers wages and expenditures are not in balance, so often they fall in debt. Expenditures on account of drinking water during summer, payment of rent during off season or low garment production seasons, frequent shifting of house on account of rising house rent and medical expenses due to both work related physical stress (enrollment rate of migrant workers under ESI scheme is low) are the some of the reasons affecting their household economy.

#### ***c. Sumangali Scheme***

Adolescent, unmarried young girls of 15 to 25 are preferred in the textile and garment industry for their efficiency in work output. Many girls are recruited under the “Sumangali Scheme or Mankalya Thittam”. They have to work as camp coolies for three years as scheme workers. During the period they will be provided with food and common accommodation. They will be also paid a Rupees 900 to 1000 per month. In return they will have to work long hours. They will have very little rest and they will be squeezed off their maximum labour. They have no bonus, advance or any other payment but are promised an assured sum at the end of the scheme year. The workers do not fall under the purview of the ESI or the PF coverage. They invariably face exploitative working conditions like low wages, long hours of work, physical and verbal abuses. There are employment contracts but more often they are not followed. The most horrible exploitation is that they will be terminated under false allegation before they complete their tenure and they will be deprived of their complete payment for the entire term of work. Whatever may be Scheme name and justifications put forward by the employers association, it is an absolute form of forced labour.

#### ***d . Proposed ESI Hospital***

Nearly 88000 workers of Tirupur out of a total of 3 lakh workers in the town contribute regularly to the Employees State Insurance Corporation, with a major branch office located in Coimbatore. About 40 per cent of the Rs.5-crore revenue a month in the Coimbatore region - comprising Coimbatore, Erode and the Nilgiris districts - comes from Tirupur alone. However ESI that guarantees medical care and insurance for all its members has no more than 2 dispensaries in Tirupur. Trade Unions have demanded a full-fledged ESI hospital for this town over a long period of time. In May 2006, the Union Labor Minister finally announced the setting up of a 100- bed hospital and the ESI corporation has identified a 2.5 acre land of Tamilnadu Small Industries Corporation in Kumar Nagar towards this purpose. However the state government continues to delay the process of

land acquisition and construction of hospital, although ESI corporation has allocated sufficient funds towards the proposal.

***e. Trade Unions & Labor Issues:***

Please see separate issue paper.

## **11. Civic amenities to Tirupur**

The Tamil Nadu government has upgraded Tirupur Municipality into Municipal Corporation, covering additional areas in its outskirts and opening up the scope of a larger budget and a bigger administration. The Chennai based consultancy firm, Wilbur Smith Associates has prepared a city corporate-cum-business plan at an outlay of Rs.458 crore for Tirupur Corporation.

Traffic management and road enhancement works in the congested town will be accorded top priority with a proposed allocation of Rs.263 crore. While suggesting a slew of bridges to connect fragments divided by the Noyyal river and the railway track at an outlay of Rs.145 crore, the proposal envisages road improvement works on bus routes and other link roads at a cost of Rs.25 crore. A pedestrian subway at Rs.65 lakh and a parking facility for light motor vehicles at Rs.50 lakh besides a multi-storied parking facility near the railway junction are also in the pipe-line. The extension of underground sewerage network to the unserved areas will be undertaken at an outlay of Rs.62.78 crore. Provision of public conveniences for slums will be allocated Rs. 22.88 crore.