

# Second Annual Conference of MSI-TN

The Second Annual Conference of Multi-Stakeholders Initiative Tamil Nadu (MSI-TN) was organized on 6<sup>th</sup> February 2020 at Radisson Blu Hotel, Coimbatore, India which was supported by **Partnership for Sustainable Textiles**, a German multi-stakeholder initiative initiated by the German Federal Ministry for Economic Cooperation and Development. The theme of the conference was “**Partnering for Sustainable Growth**”. The event brought together over 130 key stakeholders of the Tamil Nadu Textile and Apparel industry representing Government, Trade bodies, NGOs, industry and international organizations. The German delegation consisted of representatives from BMZ, FEMNET, Fairtrade, Otto Group, KiK, Tchibo and Brands Fashion as well as the secretariat of the Partnership for Sustainable Textiles.



The conference began on an auspicious note with the lamp lighting ceremony, during which all participants hold the hands to form a human chain symbolizing the spirit of partnership. Mr. Aloysius Arockiam, Convener, MSI-TN, welcomed all participants and thanked them for being a part of this path-breaking initiative. Tracing the journey of MSI-TN, he highlighted the key milestones achieved and informed attendees about the successful formation of steering committees at district and state levels. Mr. Aloysius concluded his address appealing to all stakeholders to collaborate and take the movement forward.

In the inaugural session senior officials from the Government of Tamil Nadu, representatives of German Federal Ministry for Economic Cooperation and Development (BMZ) and the International Labour Organization (ILO) presented their views on the importance of multi-stakeholder partnerships for growing together sustainably.

Dr. Kannegi Packiyathan, Chairperson, Tamil Nadu State Commission for Women, began her address by speaking about the importance of government officials’ support for multi-stakeholder initiatives such as MSI-TN and urged all government officials to lend their active support to MSI-TN initiatives. Dr. Kannegi also spoke about the issues concerning the women working in Tamil Nadu Textile and Apparel industry and informed that the Tamil Nadu government had suggested awards/incentives for spinning mills having best maintained working women hostels. She also spoke about her visits to some well-maintained hostels and urged all industry players to emulate their best-practices.

Mr. Mathiazhagan, Additional Central P. F. Commissioner, Appellate Authority, Right To Information (RTI), Tamil Nadu, Employee Provident Fund (EPF), began his address by stating that change is possible only when the welfare of the workers is prioritized. He emphasized the need for compliance for ensuring social security of the workforce and highlighted some best practices for ensuring compliance with the EPF scheme. He concluded his address by urging all industry stakeholders to promote knowledge sharing and applauded MSI-TN for promoting this through dialogue and training activities.

Mr. Saravanan, Joint Director, Directorate of Industrial Safety and Health (DISH), Coimbatore, appreciated the work done by MSI-TN by not only forming Internal Compliance Committee (ICC) and Works Committee (WC) but also focusing on improvement of the occupational health and safety of workers. He also highlighted some initiatives taken by DISH officials in collaboration with MSI-TN and wished for the continuation of such efforts in future.

Ms. Bharti Birla, Chief Technical Advisor, Sustainable Global Supply Chains, International Labour Organization, spoke about sustainable global supply chains and how partnerships were important for all stakeholders – Community Based Organization (CBOs), NGOs, global organizations, trade bodies and businesses. She emphasized that the desired behavior for businesses is adherence to local labour laws, building capacities of workers, encouraging freedom of association and collective bargaining. She gave examples and shared the outcomes of several ILO initiatives for improving the working conditions of workers in the Textile and Apparel industry in India. Ms. Birla suggested that MSI-TN should also include voices of workers in the forum, which would help them articulate their requirements/problems better.

Mr. Patric Hehemann, German Federal Ministry for Economic Cooperation and Development (BMZ), expressed his happiness about the progress made by MSI-TN and his intention to learn more about the further developments. He spoke about the German Government's commitment towards ensuring sustainability in the textile value chain, through their continued support towards MSI-TN and the recent launch of the Green Button initiative.

The inaugural session was followed by a presentation by MSI-TN team on its genesis, objectives, activities and achievements till date. Ms. Rohini Chandrasekaran, Coordinator Dialogue, MSI-TN, gave a presentation on Module A: Dialogue Promotion activities. She informed that the dialogue team has had ~1000 interactions with ~300 stakeholders through one to one discussions, 36 District Level Meetings, 5 State Level Meetings and 2 International Conferences over the past 16 months. She highlighted the impact created through dialogue promotion activities by giving examples of collaborations with Government officials for awareness programmes and usage of Information Education and Communication (IEC) materials. Ms. Rohini concluded by briefly elaborating on the formation of MSI-TN steering committees and action plans for the year 2020.

Ms. Viyakula Mary, Executive Director, MSI-TN, presented the update of Module B - In-Factory Training. She informed all participants about the progress of training activities in 181 spinning mills which have impacted more than 15,000 workers. She also gave details about the capacity building programs conducted for HR managers, middle management and worker representatives including members of the Internal Compliance Committee and Works Committee. Factory level training program is still going on and the factories located in the four focus districts of Coimbatore, Dindigul, Erode and Tiruppur may still join this program and get benefited.

The third session was on the topic 'Future of multi-stakeholder initiatives for sustainable growth: Viewpoints from the trade perspective', having participation from trade associations. Dr. K. Venkatachalam, Chief Advisor, Tamil Nadu Spinning Mills Association (TASMA), opened this session by lending his full-fledged support to MSI-TN and highlighting the impact of the initiative. He urged all spinning mills to avail the benefits of MSI-TN's In-Factory training programme, pointing out this is supporting the factory HRs to ensure better compliance. He mentioned that as a result of the MSI-TN's Dialogue Promotion initiatives, the media exposure on various issues has reduced as these issues are often resolved with the cooperation of relevant stakeholder groups. Mr. Venkatachalam also suggested that MSI-TN should expand its presence to other districts of Tamil Nadu and promised his full support in getting the buy-in of spinning mills in other districts of the state.

Mr. Prabhu Dhamodharan, Convener, Indian Texpreneurs Federation (ITF), began his address by speaking about how the global focus has shifted towards responsible business practices, which include being responsible towards the industry workforce. As a result of the communication technology boom, workers are now more knowledgeable, aware and empowered. The Tamil Nadu textile and apparel industry should increase focus on social compliance to remain competitive. He also informed the participants about the launch of the ITF leadership

academy, which teaches middle management how to deal with new-age challenges and workers' issues. Mr. Dhamodharan suggested that MSI-TN should also benefit from taking similar initiatives.

In the next session, MSI-TN team presented the major challenges identified and the action points prepared by Steering Committees for the four focus themes of MSI-TN Dialogue Promotion Module. Feedback and inputs on the same were sought from industry experts representing International Organizations, Trade Unions, NGOs and Steering Committee Members. A summary of their main points is provided below:

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### **Theme 1: Social security and statutory benefits for workers**

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**Presenter:** Dr. K. Rajeswari, Program Manager, MSI-TN

**Panellists:**

- a) Mr. Narayanasamy, GM, Armstrong Spinning Mills
- b) Ms. Bharti Birla, Chief Technical Advisor, Sustainable Global Supply Chains at International Labour Organization
- c) Mr. Sanjeev, ESIC Branch Manager, Coimbatore

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**Feedback/ Inputs:**

- It is advantageous for businesses to have more workers under the social security net, as this would provide a stable workforce and improve productivity.
- Since most workers are migrating from other social, economic, and cultural backgrounds, it is necessary to orient them so that they can avail benefits of social security and other welfare schemes.
- Due to lack of awareness regarding ESI/EPF Schemes, workers shift to other factories if ESI/EFP deductions are made from their salary. Thus, it is crucial to educate the workforce about social security schemes and their benefits through awareness programmes and IEC materials (in local languages).
- Awareness regarding portability of ESI and its full family cover should also be provided.
- A community audit should be conducted, wherein workers and management discuss the challenges at the workplace and how to mitigate them.

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### **Theme 2: Prevention & redressal of harassment of women at workplace**

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**Presenter:** Mr. P. Mugilan, Training Coordinator, MSI-TN

**Panellists:**

- a) Ashok Varma, Partner, PricewaterhouseCoopers Private Limited
- b) Ms. Shubadra Gupta, Regional Manager, South and East Asia, Fair Labor Association
- c) Mr. Gurunathan, Senior Compliance Manager, Eastman Group of Companies

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**Feedback/ Inputs:**

- Root cause analysis of Gender-Based Violence (GBV) must be done. Power imbalance, patriarchy norms, complicated dynamics, and complex socio-economic structure are some of the causes of GBV.
- Access to preventive measures, redistribution of power on the production floor will help in reducing GBV.
- Strengthening grievance systems is required and strong anti-retaliatory measures, tools, and practices should be introduced.
- In many cases, no complaints are filed as a result of a trust deficit. This can be overcome through building trust by:
  - Ensuring confidentiality and privacy of individuals, non-retaliation, speedy and efficient redressal of complaints
  - Communication and reporting, and thereby publicizing the fact that action has been taken against the offenders
- Trade unions should be a strong part of ensuring freedom of association. The four pillars of Recognition, Negotiation, Dissent and Dialogue should be encouraged.

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### Theme 3: Better living conditions in working women hostels

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**Presenter:** Ms. Rohini Chandrasekaran, Coordinator Dialogue, MSI-TN

**Panellists:**

- a) Mr. Bala Murugan, Program Advisor, The Freedom Fund
- b) Ms. Renida Sarala, Director, WORD Trust
- c) Mr. Subramani, HRM, Sri Arvind Sivakumaran Mills

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**Feedback/ Inputs:**

- Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act, 2014 is not only for hostel registration but also for the safety and security of hostel residents. Compliance with the minimum standards specified under this act should be ensured.
- There should be a single window for hostel registration.
- Hostel Management Committees must be formed in all working women hostels.
- Activities such as recreational programmes, mental health awareness camps, life skills education programmes and medical camps should be conducted.
- There should be proper training of hostel warden and caretakers.

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### Theme 4: Labour laws supporting sustainable growth

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**Presenter:** Mr. Calvary Thiagarajan, Assistant Coordinator Dialogue, MSI-TN

**Panellists:**

- a) Mr. Clement David, Lead, Community Partnerships, International Justice Mission
- b) Mr. Subramani, District Secretary Centre of Indian Trade unions (CITU)
- c) Mr. Selvaraj, Senior HR Manager, Eastman Spinning Mills

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**Feedback/ Inputs:**

- Updating labour laws in line with the current industry scenarios is required.
- Recruitment practices need to be transparent to prevent labour trafficking from remote areas.
- MSI-TN should sensitize employers on legal recruitment practices and develop a policy on recruitment.
- Minimum wages must be ensured for all workers.
- 10 model factories should be developed, having ethical recruitment practices and adherence to labour laws, and this model should be replicated for other factories as well.
- All stakeholders including government, trade unions, trade associations, NGOs and businesses should work in harmony and take initiatives for ensuring compliance with the labour laws.

The fifth session was on the topic ‘Human rights due diligence: Current trends and initiatives in Germany and possible impacts on the Textile and Apparel supply chain’, having participation from German NGO FEMNET and German Brands: Otto Group and KiK.

Mr. Felix Rauer, Group Manager Strategic Alliances (Corporate Responsibility), Otto Group began his address by highlighting that businesses are taking active measures to tackle challenges such as climate change, excessive exploitation of resources and non-complaint working conditions in factories. Otto group has been on the journey towards sustainable and responsible production for many years. New challenges require new goals which the group wants to reach with its partners. Mr. Rauer also informed that Otto Group sources from ginners and spinning mills located in Tamil Nadu, and it is encouraging to see collaborative efforts of MSI-TN for ensuring a more compliant value chain.

Mr. Manzoor Hossain Kashfin, Team Leader - Sustainable CSR, KiK, appreciated the positive response towards MSI-TN by the government officials, NGOs, trade bodies and businesses. He spoke about the new technologies for ensuring compliance and supply chain mapping such as blockchain and other databases for mapping KPI data. Mr. Mansoor called on more industry players to leverage the new and upcoming technologies to improve their business performance and competitiveness.

Dr Gisela Burckhardt, Founder & Chairwoman of FEMNET, gave an overview of the Partnership Initiative in Tamil Nadu and informed that living wages, complaint mechanisms and GBV are some of the themes that the

Partnership for Sustainable Textiles is generally working on. She also elaborated how and why the Partnership for Sustainable Textiles is supporting the MSI-TN.

The final session included working group discussions. The participants were divided into four groups (one group for each of the focus districts – Coimbatore, Dindigul, Erode & Tiruppur).



This provided an opportunity for key stakeholders of the districts to discuss the pressing issues in their districts and finalize the action points developed by the Steering Committees. A summary of the key points highlighted in the discussions is given below:

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### **Key Points of all four districts**

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#### **Theme 1: Social security and statutory benefits for workers**

- Promotion of the use of UMANG app among workers
- Displaying ESI beneficiaries medical quota benefit on notice boards
- Development and distribution of handbooks on ESI and EPF schemes

#### **Theme 2: Prevention & redressal of harassment of women at workplace**

- Joint visits of One-Stop Center officials and MSI-TN staff for creating awareness about 181 Helpline, Kavalan app & 112 Helpline
- Training about policy, procedure and execution should be done for Top and Middle management by external agencies such as District Legal Service (DLS)
- ICCs should be headed by a confident senior women representative
- ICC and WC member details should be displayed at prominent places in the factory
- Best practices on ICC and WC functioning should be documented and circulated among all stakeholders
- The orientation of male workers should be done to make them aware of the severe legal repercussions of sexual harassment

#### **Theme 3: Better living conditions in working women hostels**

- Guidance and support should be provided for spinning mills
- Spacious Accommodation, 24X7 well-trained caretaker, nutritious, medical services, freedom of movement should be provided in hostels
- Hostel residents should be made aware of higher education options and how to avail those facilities

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### **Key Points of all four districts**

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- Periodic inspection of hostels should be carried out by government officials

#### **Theme 4: Labour laws supporting sustainable growth**

- Abstracts of relevant labour laws should be displayed in factory notice boards
- Industry players should ensure compliance with the legislation governing their factory operations
- DISH officials should provide awareness sessions of occupational health and safety practices

The aforementioned action points would be presented before the state level steering committee during the 6<sup>th</sup> State Level Meet and incorporated in the district level action plans after seeking their inputs.

The conference provided an excellent opportunity for experts and stakeholders from the textile and apparel industry to share opinions, experiences, promising practices and move forward on the journey of collaboration. In his closing remarks, Mr. Aloysius called upon all stakeholders to take ownership of this initiative and support in the realization of action plans developed by MSI-TN steering committee. Mr. Patric Hehemann, German BMZ, expressed his satisfaction on the active participation of all stakeholders in the conference. He encouraged all stakeholders to continue their active support towards MSI-TN initiatives and shared that he was happy to demonstrate the German Government's support for this initiative. The conference was closed by Dr. K. Rajeswari, Program Manager, MSI-TN with a formal vote of thanks.