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Organizations
Social Accountability International & Social Accountability Accreditation Services

Issue
Sumangali Schemes

In the Indian State of Tamil Nadu, the practice of employing young women in false apprenticeships known as “Sumangali Schemes” has deprived thousands of young women workers of their labor rights. Social Accountability International (SAI) and Social Accountability Accreditation Services (SAAS) denounce the use of Sumangali Schemes, encourage companies to use SA8000® to continually improve and verify compliance with international labor standards, and will continue to support initiatives that target the root causes of the Sumangali Scheme. Eradicating these abusive practices requires locally-led efforts to address the diverse factors that set the conditions for this abusive practice, including: low incomes; few employment opportunities; gender and caste discrimination; and the continued practice of dowry.

Context in which Sumangali Schemes have emerged

The textile industry contributes significant employment opportunities and economic growth to India and especially the southern state of Tamil Nadu. Nationally, textiles account for 4% of GDP, 13.55% of export earnings, and provide direct employment for 35 million people, being the second largest employment provider after the agricultural sector. Following the end of the quota system known as the Multi-Fiber Arrangement at the end of 2004, exports grew 22% in the first year, and annual growth rose to 8-9% from a rate of 3-4% of several previous decades. 43% of India’s large and medium textile mills, and 80% of its small mills, are located in Tamil Nadu. As of the end of 2010, 1,800 textile units employed 400,000 workers in Tamil Nadu.

The workers of the textile industry are predominately young women, not unionized and often employed under temporary contracts. Household incomes are low – frequently between 2,000 and 5,000 Indian Rupees per month (~$44 - $66 USD), and families seek safety and stable futures for their daughters. Despite laws prohibiting the practices, both the payment of a dowry to a prospective husband’s family and discrimination against women persist in Tamil Nadu.

What are Sumangali Schemes?

Approximately 12 years ago, employers within the textile industry began to utilize the Sumangali Scheme as a method to secure a young, reliable, and temporary work force at very low cost. The core attraction of the Sumangali Scheme is a lump sum payment at the end of 3 years that enables a young woman’s family to pay dowry and thereby ensure her marriage. “Sumangali” is a Tamil word translated variously as: “a married woman whose husband is alive”, “an unmarried girl becoming a respectable woman by entering into marriage”, and “a married woman who leads a happy and contented life with her husband with all fortunes and material benefits”. However, the Sumangali Scheme deprives the young women of their core labor rights of freedom from forced labor, non-discrimination, freedom of association and collective bargaining rights. The
scheme is also characterized by excessive, uncompensated and frequently forced overtime and wages that fail to provide sufficient income to meet their basic needs.

The Sumangali scheme begins with recruitment of young women, particularly young women from impoverished, rural small towns outside the main cities in Tamil Nadu, to work in the textile mills with the promise of earning a dowry. The young women start with a 2-month trial period, and afterwards continue work as apprentices. Over a three year period, the employer using Sumangali: permits the young women one home visit per year – a leave frequently denied; obliges them to work overtime according to the schedule of the management; pays a daily stipend of INR 28 (~$0.62 USD) during the first six months – in some cases the stipend increases by INR2 every six months; and provides dormitory accommodations and meals. In most cases employees work over 12 hours per day, at least six days per week. If the worker completes the 3-year apprenticeship period, she receives a lump sum generally around INR 30,000 (~$663.13USD).

**SA8000®: One Part of the Solution**

The SA8000® certification system has been used by leading textile companies in India for over a decade. As a certifiable standard based on ILO Conventions, SA8000® provisions include: prohibition of forced labor – including restrictions on movement with threat of loss of wages or work; prohibition of contracting practices that deny legally-required benefits to workers; requirements for payment of living wage; and requirements for respect of workers’ freedom of association and collective bargaining rights. In February 2011, SAI conducted an in-depth investigation of the Sumangali Scheme by visiting factories and villages on the ground and speaking with workers, employers, and local NGOs. The particular investigation and continual SA8000® audits have not found the use of the Sumangali Scheme or other violations of SA8000® at those facilities that are SA8000® certified. SAI and SAAS procedures and training guide SA8000® auditors to identify signs of Sumangali and other schemes; and, as a result of this investigation, SAI and SAAS have further refined audit guidance in order to better address this issue. The specific guidance complements auditors’ methods for verifying compliance with the international labor standards covered by SA8000® with specific instruction on stakeholder consultation, investigation of contracting practices, interviewing workers in a safe and neutral space, and evaluation of the company’s supply-chain management.

However, SA8000® can only be one part of the process for eradicating the Sumangali Scheme. Currently, the scheme continues, particularly at spinning mills and upstream in supply chains, but also at some large facilities.

For buyer and supplier companies, SAI and SAAS call for immediately ceasing use of the Sumangali Scheme and encourage companies to: use SA8000® as a benchmark; begin improvements to achieve certification and the corresponding benefits; and utilize the SA8000® management system approach to continually improve their operations and supply chains. We also encourage the support and engagement of local stakeholders to address the root causes of the Sumangali Scheme— including low levels of understanding of labor laws, insufficient organization of workers to assure their voice and representation, discrimination and cost pressures.

**Local and Global Efforts to Eradicate Sumangali Schemes**

Abolishing the Sumangali Scheme is promisingly underway, due to significant actions led primarily by local actors:

- In 2008 the State of Tamil Nadu passed legislation that set a minimum wage day rate, which established the illegality of the Sumangali Scheme;
- The Campaign Against Child Labor – Tamil Nadu (CAACL-TN)— pressured authorities to conduct a hearing on the Sumangali Scheme, and in 2009 the panel — including the High Court of Madras, Tamil Nadu State Commission for Women and Tamil Nadu Pollution
Control Board – established Grievance Redressal Committees at the Labor Inspectorate in each district;
- The Southern India Mills’ Association (SIMA) established recruitment guidelines;
- The Labor Minister of India issued guidance to pay minimum wage, grant permanent employee status upon completion of 480 days labor, issue identity cards, pay provident fund benefits, ensure dormitories have basic facilities, and never deny requests to take leave for home visits;
- The Tirupur Steering Group (TSG), the Tirupur Exporters Association (TEA), SIMA and the Tirupur People’s Forum for the Protection of the Environment and Labour Rights have led and participated in various multi-stakeholder dialogues on workers’ rights and labor laws.

Global brands and retailers have also worked individually and collectively to ensure that the Sumangali Scheme is not used in their supply chains and to support local initiatives. The Brand Ethical Working Group has engaged the TEA. Ethical Trade Initiative (ETI) and Anti-Slavery International have convened customer brands to discuss collective strategies to address the Sumangali Scheme. In January 2011 in New Delhi, the Business Social Compliance Initiative (BSCI) convened a roundtable meeting that included discussion of the Sumangali Scheme, and BSCI plans a follow-up meeting in the summer of 2011. In May 2011 the Centre for Research on Multinational Corporations (SOMO) and India Committee of the Netherlands published the report Captured by Cotton, which raised awareness of the Sumangali Scheme.

Solutions will not be easy, but collective effort holds promise. The success of efforts such as legitimate savings programs, oversight of recruiting practices, protective accompaniment for young women, and others, depend on how well the mechanisms respond to the actual needs of the young women and their communities. SAI and SAAS will continue to support use of the SA8000 certification and local and global initiatives to eradicate the Sumangali Scheme and ensure decent work for Indian textile workers.

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2. The Multi-Fiber Arrangement (MFA) governed apparel and textile imports to the U.S. and Europe through a system of quotas. It provided for the application of selective quantitative restrictions when surges in imports of particular products caused, or threatened to cause, serious damage to the industry of the importing country. On January 1, 1995, the MFA was replaced by the World Trade Organization Agreement on Textiles and Clothing, which governed the transitional process for the removal of the quota system by January 1, 2005.
6. Interviews of stakeholders in Tamil Nadu by Raja Gopal, SAI lead trainer, conducted February 2011.