



# Socially responsible and progressive

## India: ESGE and sequa support sustainable textile production



### The challenge

German textile companies with production sites in India have one thing in common: they need first-class products to satisfy their discerning customers at home. However, finding well-trained workers with textile know-how is a challenge in India. Government-run training courses have little relevance in modern-day manufacturing. Moreover, companies themselves rarely provide training and predominantly hire semi-skilled staff. This is problematic for many reasons, not least due to increasing demand from customers for production processes to meet international standards – for example, on product and occupational safety. To maintain access to the international textile industry and withstand the pressures of stiff competition, especially from Chinese suppliers, the Indian textile industry must invest more in training its employees.

### The solution

German textile company ESGE, a family-run business with a long tradition, produces high-quality undergarments. Since 2007, it has also been operating in India. In the South Indian city of Tirupur, which is at the heart of the textile and knitting industry, its subsidiary Bodyland currently has around 400 employees, almost two thirds of them women.

To meet its needs for skilled human resources, ESGE decided to form a development partnership with sequa gGmbH in 2008. This partnership was financed by the develoPPP.de programme of the

German Federal Ministry for Economic Cooperation and Development (BMZ). develoPPP.de was set up by BMZ to foster the long-term engagement of companies in developing countries and emerging economies.

*‘Thanks to the cooperation with universities and textile colleges, we have well-trained interns in the company. The chance of recruiting good workers from this pool is much greater than if we had to start looking for people from scratch.’*

Christian Maag, Managing Director of ESGE

### Our services

ESGE is investing in a flexible training and upgrading programme for all its employees in India: Seamstresses are receiving practice-oriented training on how to use different types of sewing machines and new fabrics, for example, as well as training on logistics and occupational safety, quality control and machine maintenance.

To recruit its own young professionals and simultaneously raise the general level of training in the Indian textile sector, ESGE is working with the NIFT-TEA textile college. This is fast becoming the leading competence centre for the Indian textile industry – thanks to German engagement. Within the context of this



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partnership, the company is also sharing its expertise: experts from ESGE hold lectures and train teaching staff to implement specific processes and software solutions. The company also invites students to take part in internships at its Indian production sites, an approach that is proving successful: most of the former interns are now employed at ESGE. For Christian Maag, one of ESGE's three managing directors, this is a 'classic win-win situation'.

ESGE and sequa entered into a second development partnership in 2011. This time, the emphasis was on a training programme focusing on logistics and materials management for five small and medium-sized ESGE suppliers. The company provides the necessary special software free of charge for all participants. ESGE also trains lecturers and trainees, and is working to integrate internships into teaching.

Dr Roland Strohmeier, sequa Project Coordinator, is impressed by the high level of engagement: 'Those responsible at ESGE see themselves as social entrepreneurs of the old school. They are forward-thinking and act responsibly in the interests of the future of the entire industry and its employees.'

## Impacts and results

Between 2008 and 2015, the efficiency of suppliers was not the only thing to improve. The results of quality control show that the products ESGE manufactures in India are now virtually all of premium quality. The Vice Chairman of the NIFT-TEA textile college, Professor K. J. Sivagnanam, is impressed by the software for efficient reporting introduced by ESGE in the five smaller pilot companies. Through training, optimised processes and restructuring alone, some participating suppliers have been able to increase their daily production from 800 to 3,500 items – without purchasing new machines. 'ESGE has provided an example of best practice for other companies,' says Professor Sivagnanam,

'which is being implemented on the ground with our support. Our main task now is to disseminate this best practice, provide skilled workers and promote growth in Tirupur.'

Moreover, both development partnerships have been successful in more than just the financial sense. 'I am sometimes astounded by how socially responsible and progressive the working culture at our Indian production sites has become and how quickly our understanding of management and equality has been implemented in working practices,' says Maag. 'I am especially pleased by how many female employees have been promoted to head of department at Bodyland. These women could never have imagined achieving anything like that. They – and we – are justifiably very proud of that.'

### At a glance

<b>Duration</b>	1 <sup>st</sup> Project: 15 May 2008 – 15 May 2010 2 <sup>nd</sup> Project: 1 August 2011 – 31 Juli 2013
<b>Country</b>	India
<b>Objectives</b>	1 <sup>st</sup> Project: Training and upgrading programmes for the textile and clothing industry in Tirupur 2 <sup>nd</sup> Project: Training programme on logistics and materials management for SMEs in the Indian textile sector
<b>Partners</b>	ESGE, NIFT-TEA and sequa
<b>Results</b>	<ul style="list-style-type: none"><li>• In all, 160 seamstresses, 10 maintenance and service employees and 10 logistics employees have received training.</li><li>• At ESGE, textile and materials costs fell by five per cent and freight costs by 10 per cent, with productivity up 15 per cent.</li><li>• Cooperation between colleges and companies (for example, via company internships) is ongoing even though the project has been completed.</li><li>• Curricula for colleges, as well as training and teaching materials, exist and have been embedded in the training syllabus.</li></ul>

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