

Report on meeting with FFI at the FFI office at Peenya, Bangalore on 9-6-06

Present:

From FFI:

Mr. Mohammed Ghaise, Director

Mr. Sridhara Murthy, General Manager - Human Resource Department

Ms. Pramila Nesargi, Legal Advisor to FFI, and her team of two lawyers.

From GATWU:

Mr. K R Jayaram, Vice President, GATWU

Mr. B.T.Venkatesh, Legal Advisor to GATWU

Mr. Mohan Mani, Research Officer, NTUI.

The meeting was held for the purpose of discussing violations of the rights of the workers at the units of Fibre and Fabrics International (FFI) and Jeans Knit Private Limited (JKPL). This was held in response to the letter issued by GATWU to FFI dated 11th February 2006 and the reminder issued dated 24th March 2006.

GATWU presented the list of violations of workers' rights happening in units of FFI JKPL, make a list of allegations:

1. Harassment of workers, including in particular severe physical harassment of workers in the washing unit.
2. Arbitrary termination of the services of workers without following due legal process.
3. Absence of letter of employment to all employees.
4. No provision of leave with wages book to each employee.
5. No crèche, rest rooms and canteen facilities covering all employees.
6. No provision of identity cards to many of the employees.
7. Absence of proper safety measures, especially in the washing unit.
8. Non-payment of overtime wages for overtime work that the employees are made to do.

The management in their response stated that the allegations of violation of workers' rights were far from the truth. They stated that they follow all the statutory rules and abide by conditions imposed by the statutes.

The management presented a list of worker committees including the committee to prevent sexual harassment. The management stated that no grievances have been ever reported to the committees and that the allegations of sexual harassment if any made to GATWU should be from disgruntled elements who are no more employees of the FFI or JKPL. It was interesting to find some of the worker members were common to all the committees. It was agreed that there is always the possibility of workers' vulnerability preventing them from approaching the committees for the fear of being further victimized. The legal advisor to FFI, Ms. Pramila Nesargi, senior advocate, agreed that it is a serious issue and a serious concern in many industries

GATWU representative raised the issue of physical abuse and torture in the washing unit of FFI and JKPL. The management denied the allegations. Ms. Pramila Nesargi stated that there

are possibilities of the management not receiving proper information and a complete picture of the situation. She further stated that the management should take this very seriously and also take immediate action in this regard. (The washing unit mostly comprises of male workers. Most of the workers are from rural areas, who are willing to work in any condition as getting employment is very difficult. Workers have stated that they are overworked, physically abused, tortured and threatened with termination. Hence, workers do not complain to authorities or higher management despite the violence)

The FFI Management denied every allegation made in the letter. They brought various documents to support their denial of allegations. These included:

- i. List of internal worker committees, including sexual harassment committee and different shop floor committees. The lists were signed by the various members, including worker members. The management claimed that none of the committees reported any grievance, and that the reports to the Union could only be from disgruntled elements. It was pointed out by the union that the practice of having committees was there in many large garment factories. However, the effectiveness of these committees for handling grievance was extremely limited, given that workers felt very vulnerable to management pressures. The company Legal Advisor also agreed to this possibility of the workers' vulnerability.
- ii. List of copies of Appointment Letters with acknowledgement signature of workers. The union said that most workers did not get Appointment Letters or Identity Cards. The management claimed that this was impossible, as payrolls were automated, and wages to workers were calculated on basis of the electronic ID Cards that recorded exit and entrance of workers to shop-floor. The management also claimed that the ID Card was necessary for workers to avail of company bus service. Given that the company has twelve buses with a total capacity of 720 workers (data provided by management), and that the general shift had about 3000 workers, the management claim that ID Card was required to avail bus service does not give proof of all workers having ID Cards. The union claimed that ID Cards were only issued to workers in the two production units. ***The company Legal Advisor, while claiming that all workers would have been given Appointment Letters, gave the assurance that the management would issue duplicate appointment letters to all workers within the month.***
- iii. A complete list of workers and their salary details was provided. A quick perusal of the list showed that only around 160 workers out of a total of over six thousand workers had more than 5 years service in the company. This is less than 3% of the workforce, pointing to high turnover rate.
- iv. The issue of high labour turnover was discussed. The management itself admitted to a turnover of 500-600 workers each month. ***This is an attrition rate of over 100% per annum.*** The management tried to claim that this was the norm in the industry. When the union claimed that this was not true for the better managed companies like Gokaldas Exports in Bangalore, the management did not comment on this. The issue of high labour turnover was admitted as being a problem that prevented the management from being able to provide ready bank account facilities to all workers, causing them considerable hardship. The management however refused to connect high turnover to any factory violations of labour

rights, and claimed that workers left on their own in order to avail of lump sum dues on settlement of claims, and further that most workers joined back the company. In the circumstance the management admitted that most workers did not manage to avail of gratuity dues that accrued to workers only on completion of five years continuous service. The GATWU representative stated that workers were not able to open bank accounts to deposit their wage cheques. The legal advisor of the company suggested that the company must open a Corporate Account to facilitate timely payment.

- v. The management stated that all their units had crèche and canteen facilities. The General Manager, Human Resource Department, however admitted that the crèche facilities were not much used, given that women workers left home as early as 5-6 in the morning to reach the factory on time and hence had to leave their children behind at home. The management refuted the assertion of the union that crèche and canteen facilities were only available in two of the plants.
- vi. The specific issue of ill treatment including beating of workers in the washing unit was taken up. This charge was categorically denied by the management. The company Legal Advisor said that the management would still look into this charge carefully, and punish any erring manager or supervisor. The management said that modernization of the washing unit was being undertaken, which would make the work process easier to handle. ***The Legal Advisor requested around 35 days time for completing modernisation of the washing unit, and stabilisation of production in the unit after modernisation, to ensure that any possible issues of ill treatment of workers in the washing unit were completely rectified.***
- vii. The management claimed that the company was the first to go in for SA8000 certification in the garment sector in Bangalore. They claimed that they were always in the forefront of technological changes in the industry, and that as such there was no question of their violating any labour laws. The union pointed out that technological excellence did not necessarily go hand in hand with good labour management practices.
- viii. The union expressed its willingness to take up the issue of high labour turnover with workers in the factory, if the management gave permission. The management however did not agree to this. They claimed that there was already a worker representative to take up any issue with the management, and said further that they did not want trade union disturbances within company premises.

In conclusion, the management categorically refused all allegations of the union. The union pointed out that the grievances were collected from a large number of workers, over a long period of time. The high labour turnover of over 100% was referred to as being symptomatic of worker dissatisfaction. The union said that if an outsider was willing to listen to the grievances of workers without revealing their identities the union could try and persuade workers to depose before the outsider. ***The company Legal Advisor agreed to meet with FFI and JKPL workers along with GATWU representatives outside the company premises, and assess for herself the situation. She also agreed that the identity of workers would not be revealed to the management.***

Mr. K R Jayaram, Vice President, GATWU
Mr. B.T.Venkatesh, Legal Advisor to GATWU
Mr. Mohan Mani, Research Officer, NTUI.