

LIFE'S NOT GOOD



WORK CONDITIONS AND UNIONISATION AT LG ELECTRONICS IN GREATER NOIDA

People's Union for Democratic Rights (PUDR)

September, 2016

"I Fall Asleep, Just Standing Like That" (2011)

*The paper before my eyes fades yellow
With a steel pen I chisel on it uneven black
Full of working words
Workshop, assembly line, machine, work card, overtime,
wages...
They've trained me to become docile
Don't know how to shout or rebel
How to complain or denounce
Only how to silently suffer exhaustion
When I first set foot in this place
I hoped only for that grey pay slip on the tenth of each month
To grant me some belated solace
For this I had to grind away my corners, grind away my words
Refuse to skip work, refuse sick leave, refuse leave for private
reasons
Refuse to be late, refuse to leave early
By the assembly line I stood straight like iron, hands like
flight,
How many days, how many nights
Did I - just like that - standing fall asleep?*

***Poem by Xu Lizhi, Foxconn worker who committed
suicide in 2014***

Preface

In the last week of July, PUDR received a mail from a local trade union organizer of Gautam Budh Nagar informing us about the ongoing protest at the LG factory. We also came to know about the protest from various newspaper and social media reports.

PUDR team visited Greater Noida on 24th July to meet the workers and had detailed discussions with many workers and tried to find out the reasons behind their protest. We also made efforts to meet the management but we did not get any response from them.

For understanding the complete picture, we accessed the DLC order, the Allahabad High Court Order, the Union registration application and its rejection (by the Registrar of Trade Unions) and Settlement deeds (dated 20th July and 12th August) between the workers and the management.

Occupy LG

The LG Electronics India private Limited factory in Udyog Vihar, Greater Noida was occupied by nearly 650 workers for ten days from 11th July to 20th July 2016. Family members of the LG workers and workers from near by factories gathered outside the factory gate in support of workers. There was heavy police deployment along with the presence of private security.

The occupation was triggered by the attempts of the management to scuttle the formation of a union by the workers. Workers at this factory did not have a union for 19 years, since the inception of the plant in 1998. In January 2016 the decision to form the “LG Electronics Appliances Union” was taken by workers. A general body meeting of permanent and contractual

workers of LG was held on 10th April, where workers elected 11 representatives and authorized them to act on their behalf until the union was registered.¹ The newly formed Workers' Union (had applied for registration) also elected five representatives² to initiate settlement talks with management with regard to some specific issues being faced by them. Following this, on 11th May, a 21-point charter of demands (including a range of issues from increase in wages, weekly holidays to the quality of food) was prepared and sent to the management. Further, on 3rd June an application for registration of the union was also made to the Deputy Registrar, Trade Unions.

According to the workers, the management was opposed to the formation of union since the beginning. In March, the management on its own started giving 'supervisory allowance'(without changing their grade and basic pay) to about 150 workers including the three signatories of the application for registration of the trade union. The management also refused to receive the charter of demands on 11th May and hence, workers allege, they had to send it by registered post. Since a copy of the charter was also sent to the District Labour Commissioner (DLC), the DLC took cognizance and sent notices to both the parties and fixed 13th June as the date for the hearing. Before the DLC, the management

¹The workers chosen as representatives were, Pradeep Singh, Ravindra Kumar, Pradeep Sharma, Vikas Sharma, Girish Chandra, Chandrabali Singh Yadav, Mahipal Singh, Sanjay Kumar Saini, Indrapal, Manoj Kumar Chaube and Yashpal Singh.

²Nar Singh, Ravinder Kumar, Manoj Kumar Chaube, Harveer Singh, and Vikas Sharma

contended that they had not received any charter and in fact sought a copy during the proceedings before the DLC. During the proceedings, the management rejected the demands of the workers at the outset by raising the preliminary plea that three of the five elected representatives who had signed on behalf of the workers are not in fact “workmen” as per section 2(z) of the Uttar Pradesh Industrial Disputes Act, 1947. They contended that these three were performing supervisory responsibilities such as operating and supervising production lines, approving leaves of workmen, and issuing gate passes. These people were also drawing salaries as per the supervisory grade. In other words, these three had no right to ‘represent’ the workers. The DLC ruled in favour of the management on 25th June. Further, based on the order of the DLC, the workers’ application for registration of the Union was also rejected on 5th July 2016.

It should be noted here that the workers of LG plant are either in the ‘W’ (workmen) category or ‘S’ (Supervisor) category. Workers working on the shop floor belong to category ‘W’, there are 16 grades within this category and it usually takes a worker 2-3 years to move up from one grade to another. The designation gets changed once a worker moves from one grade to the other but the work remains the same and revolves around the shop floor. The supervisory category or the ‘S’ grade workers have higher wages and a different job profile. There is also a due process for promotion to an ‘S’ grade. Openings in the ‘S’ category are advertised on the notice boards, there are then calls for written tests followed by interviews which makes this a lengthy process. However, ‘S’ category workers are more vulnerable in the sense that in case they do not perform adequately (i.e. failure to perform as per their Key Performance Index or KPI), they are likely to be dismissed. In the present

case, the contention of the management cannot stand because there was no change in the basic pay and grade of the workers. However, what the management did subsequently was to 'promote' and transfer 11 workers (including the above three) in an arbitrary manner on 9th July. The manner in which this promotion was announced pointed towards the fact that the underlying motive was to stop the creation of the union.

On 11th July, as workers reached the factory, they witnessed the presence of police and private security personnel in huge numbers. Their identity cards were being checked as they entered the factory gate. The 11 elected union leaders were prevented from entering the factory on the pretext that they had been promoted to the rank of supervisor and had also been transferred to other locations. Some of the workers were subsequently assaulted by the police and private security hired by the management and prevented from entering the factory. When, the workers already inside the factory heard this, they started protesting. They occupied the tennis courts inside the factory and also decided to stop production till the matter was resolved. This occupation went on for ten days during which 650 workers including women stayed on in the factory premises. Their families and other workers continued to support from outside.

On 20th July, ten days into the protest, bouncers from a local transport agency attacked a small group of leading workers outside the factory. The goons pressurized the workers into calling off the strike. Meanwhile the management also entered into a settlement with the workers. The terms of the settlement were: (a) workers would be transferred to a location of their choice, (b) one week's time would be given for joining, (c) no repressive measures would be taken against workers who had

been transferred, (d) workers would end their protest immediately and production process would be resumed from the morning of 21st July, and (e) both parties would treat each other with dignity and would coordinate in the interest of the company. Since then, work has resumed, 8 of those workers who were transferred have accepted the transfer order while expressing their objections, while 3 have refused to join.

Meanwhile, some respite for the workers came from the Allahabad High Court which while hearing an appeal against the order of the DLC overturned the same. The Court held on 26th July that since the proceedings before the DLC did not amount to an industrial dispute, hence any observation made during such proceedings would have no effect.

Subsequently, on 12th August the management entered into a settlement through Works Committee comprising of equal representatives of management and workers. However the workers allege that the worker representatives have been hand-picked by the management. While the settlement offers some benefits to the workers such as relaxation in the reporting time (by 10 minutes) but it also declared the previous strike as illegal and hence threatened to take disciplinary action against future protests.

Brewing Discontent...

The incident needs to be located in the wider context of work conditions in LG plant in specific and the electronics industry in general. The plant in Greater Noida was set up in 1998 and is the oldest production plant of LG in India. It is noteworthy that LG Electronics, Korea shifted production and assembly to

India after the 1997 Asian financial crisis. LG Electronics India Pvt. Ltd. is a wholly owned subsidiary of LG Electronics, Korea. The only other manufacturing plant of LG Electronics in India is in Pune. Apart from these, there are offices in Jalandhar, Ranchi and some other cities.

The Greater Noida plant is a multi-product plant with a total of 12 assembly lines for production of consumer electronics—two lines for refrigerators, one for microwave, two for washing machines, three for air conditioners etc. Each line is operated by more than 100 workers which include both permanent and contractual workers. The minimum qualification for an entry level worker is Class XII. There are some workers from ITIs as well.

On the shop floor, there are roughly 2000 workers of whom 850 are permanent. Of these, about 100-150 are women and a small number i.e. about 50-60 are local, others hail from both nearby and far off states like Rajasthan, Himachal Pradesh, Assam and Chhattisgarh. It is interesting to note that the shift from employing locals to employing migrant workers was made consciously by the company after a strike in its plant in 2001-02.

Apart from the permanent workers, around 1200 contractual workers also do the same work (there are some contractual workers who have been working with the plant since its inception). The starting salaries are the same for contractual and permanent workers, but the former do not get any increments. The contractual workers are not paid directly by the LG Company but by the labour contractors, who incidentally deduct their own share from the wages of the workers. These workers, unlike the permanent workers, hail

predominantly from the local area. Apart from these categories of workers, the company also employs some workers on a casual basis (whenever there is a shortfall).

The oldest and the most senior workers who have been employed since the setting up of the plant in 1998 roughly earn a wage of Rs. 30,000 per month of which Rs 18,000 is the basic pay. Annually, the workers get an increment of Rs. 1500-2000 (this used to be Rs 1000 a few years back). The workers used to get an annual bonus linked to production earlier but now this has been merged with the wages. Except for Basic pay, House Rent Allowance and monthly incentives, no other allowances are paid. They get double the wages for overtime work as per law.

The permanent workers are entitled to 11 days of casual leave and 24 days of earned leave in a year. There is a provision for three months of maternity leave, but no medical leave is allowed. In case of accidents at work, the company usually pays for the treatment and additionally gives a month's paid leave. In case, the worker resumes work post injury, he/she is not given any compensation for the accident. The workers are also provided with lunch and pick up buses (15-20 buses in all which pick up workers from as far as Azadpur mandi). However of late, the pickup points for the buses have been reduced forcing the workers to travel from their homes to the limited pick up points on their own.

One needs to understand the basis for the present discontent and what made these workers occupy the factory for 10 days. For this, it is crucial to look at the work conditions and the actual working day.

Workers have a 9 hour working shift from 9 am to 6 pm with an half an hour break for lunch and two tea breaks of 15 minutes

each. In case of overtime, it is supposed to begin after yet another ten minutes tea break once the regular shift gets over at 6 pm. However, according to the workers, they are expected to report at 8.30 am, do some exercises, take instructions and clean up the work station. Almost as a routine, the production line is started 15 minutes before the scheduled time and carries on till 10 minutes after 6 pm. Also in order to accommodate 10 minutes of tea break before the overtime shift, the scheduled tea breaks have been reduced to 10 minutes each. In other words, if a worker (usually women workers) does not stay on for overtime, he/she gets only 50 minutes of break during the day instead of an hour. This means that each worker puts in 25-40 minutes of extra work almost on a daily basis (15 minutes before 9 am, 10 minutes after 6 pm and 10 minutes of reduced breaks). It should be noted that workers are not paid for this extra work. Shockingly, the workers are not even allowed toilet breaks unless a reliever steps in and it is not necessary that a reliever will always be present.

During the course of the day, workers are not allowed to sit, even if they have medical conditions, not because it would impact the operations but because of the 'work culture' of the Multi National Company (MNC). Incidentally, this same practice is not followed in the South Korean plant. It is the same argument about 'MNC culture' which is used for making the workers exercise in the morning and clean up their work stations. Several workers, especially women, have developed back problems and cervical problems due to long hours of standing.

Workers reported that they have regular meetings with the management, which are meant for redressing their grievances but instead these occasions are used to discipline and instruct the workers. In case any worker raises any issue, there is a fear

of reprisal. Such workers are likely to be assigned difficult or impossible tasks, denied leaves or denied breaks. In some cases, workers have even been dismissed.

We were also told that workers in the batches of 30 to 40 are often sent to South Korea for a year for the purpose of “training”. During this period, apart from their usual salary in INR, the company pays them \$100 as monthly foreign allowance and also provides boarding and lodging. However, they are asked to do exactly the same work which they have been doing in India instead of ‘training’ for some other operations. Incidentally, it is LG Electronics India, which bears the entire expenses of sending the workers for training to South Korea. There is great disparity in the work conditions of Indian and South Korean workers of LG Electronics. According to the LG India workers, Korean workers earn an equivalent of Rs.1.5 lakh per month for the same work, along with a 5 day week and ‘family days’. They are also not prohibited from ‘sitting’ on a stool or a chair while working on the assembly line.

Apart from these problems, the workers complained about continuous increase in the speed and the intensity of work through a variety of measures. Firstly, the company undertakes continuous automation to increase production which forces the workers to work faster. For example a fridge compressor used to be assembled in 5 seconds a few years back but over time, this has been continuously reduced and today the ‘Takt Time’ is only 3 seconds. (This means that the worker cannot even scratch himself/herself or remove a fly from their bodies during this process). This automation is often done with the help of machines imported from Korea. Secondly, even after automation, the machines are made to work faster or they are overused so as to increase production. In other words, the

machine is made to over work so that a machine which is expected to last for 10 years may wear out in half that time, but works at a massive speed during those five years. Lastly and very importantly, a huge amount of work is extracted from the workers during the extra time they are made to work on the assembly line. According to the workers, 5-6 refrigerators get assembled in 1 minute, which means that in the unpaid extra time of 25-40 minutes per worker every day, extracted through starting the line early, ending it late or reducing the breaks, enough revenues get generated so as to pay the entire wage bill for all the ‘W’ grade workers! In other words, whatever, the workers produce during the scheduled working hours, all of that goes to the company! The rise in intensity of work can be gauged by the fact that around 2003-05; nearly 300 workers produced 1000 units of products per day but today, the production has risen to 2500 units whereas the number of workers undertaking this production has fallen to 180.

The situation in LG is not an aberration. Nearly stagnant wages, strenuous work conditions and increasing intensity of work is a norm in electronics manufacturing throughout the world. Perhaps the most notorious example is that of Foxconn, the Taiwanese electronic goods company producing iPhones. Xu Lizhi, the Foxconn worker who committed suicide on 30 September 2014, at the age of 24, in Shenzhen, China wrote that the company has taught him, “only how to silently suffer exhaustion.” (See Box on Foxconn)

Electronics manufacturing is largely organised in the form of Global Value Chains, where different units located in different countries are engaged in different parts of the manufacturing process.

Global Electronic Chain

The electronics hardware industry is an extremely important goods-producing sector in the world. Apart from providing employment and generating revenues, it also helps to increase productivity in other sectors. Thousands of companies from dozens of countries contribute to the industry and even a single product can contain work carried out by dozens of firms in multiple countries. Compared to other technology intensive industries, it is relatively easy for electronics firms to engage in outsourcing (i.e. sourcing out part of the work to another company) and offshoring (i.e. undertake part of work in another country). Factories can be relocated with relative ease and there is lesser need for co-location of engineers. This creates the ground for a dynamic Global Value Added Chain (GVCs) in the electronics industry. As part of this chain, different countries are located at different levels of value addition in the GVC. For instance an assembly plant for Apple phones located in China contributes merely 7 dollars of value added to a phone which sells for nearly 500 dollars. Even if we assume that the raw materials and components cost 100 dollars, the Chinese company makes 7 dollars (to be distributed as wages and profits) and the US company makes 393 dollars (500 minus 100 minus 7)!

LG

LG Corporation is a holding company that operates worldwide through more than 30 companies in the electronics, chemical, and telecom fields. Its electronics subsidiaries manufacture and sell products ranging from electronic and digital home appliances to televisions and mobile telephones, from thin film transistor LCDs to security devices and semi-conductors. LG also operates the Coca Cola Bottling

Company in Korea, manages real estate, offers management consultancy services, and operates professional sports clubs.

LG Electronics Inc. is a South Korean company headquartered in Yeouide-dong, Seoul, and a member of the LG Group. This company has 4 business segments, Home Entertainment, Mobile Communications, Home Appliances & Air Solutions, and Vehicle Components, and 128 operations worldwide, employing 1,37,000 people domestically and 85000 people overseas. In 2014, it had global sales of USD 55.91 billion (KRW 59.04 trillion).

In 1958, LG Electronics was founded as Gold Star Company which merged with Lucky group in 1983 to form Lucky Goldstar. In 1995 Lucky Goldstar changed its name to LG. It established its first overseas unit in United States in 1982. In 1994, Gold Star officially adopted the LG Electronics brand and a new corporate logo. LG Electronics has emerged as major player in the global consumer electronics industry. After the Asian Financial Crisis in 1997, like many other Korean companies, LG also expanded its production facilities to the countries with cheap labour. Today, LG has production subsidiaries in China, India, Thailand, Indonesia, Vietnam, Brazil, Mexico, Poland, Egypt, South Africa, Kazakhstan and Russia. Also, it has subsidiaries engaged in sales in almost every country of the world. The LG unit in Greater Noida was set up in 1998 and was the South Korean Conglomerate's first factory in India. In the ensuing 19 years, the factory has been a highly profitable entity for LG; production has been scaled up, new assembly lines have been added, product segments have diversified. The Korean management had taken a decision recently to start manufacturing mobile phones at the Greater Noida facility.

The other side of the growth story of LG are incidents and accounts of fraudulent practices and mistreatment of workers. On 5th December 2012, the antitrust regulators of European Union (EU) fined LG Electronics and several other major companies for fixing prices of TV cathode ray tubes in two cartels. This lasted nearly a decade.

In 2015, LG Electronics found itself in the midst of a human rights controversy when The Guardian published an article by Rosa Moreno, a former employee of an LG television assembly factory. Rosa Moreno, a single mother of six children used to work in one of the subsidiaries of LG Company in Mexico. Moreno used to earn 5200

pesos (about US\$ 400) a month which was just enough to feed her family. During a night shift on 11th February 2011, she was cutting metal for parts used in assembling flat screen televisions and was shifted to another machine which was very heavy and required her to use both her hands. This was done in order to meet an urgent demand. At around 2.30 am, the machine fell on her hands and eventually both her hands had to be amputated.

LG responded by initially offering her 50,000 Pesos (about US\$ 3800), but eventually paid US\$ 14400 in settlement under Mexican law, which is 75% wages for two years for each hand. This was certainly not sufficient to feed her family. A protracted legal battle followed and after four years, LG came up with an apology. In Moreno's words, "we don't ask for even a tiny share of the billions these companies make. We are just asking for enough to take care of our families and, when we are hurt, to take care of ourselves, too".

It is the brand companies, usually in the developed countries, which are located at the higher end of GVC. Such firms are also called the 'Lead firms'. These firms carry brands and sell branded products and systems in final markets to individual consumers, other businesses, or government agencies. And they initiate, or 'lead', the GVC's activities by placing orders with suppliers. Most important lead firms in the electronics industry are based in industrialised countries, especially the USA, Western Europe, and Japan. Of the newly industrialised countries, Korea stands out as a base of important lead firms, especially Samsung and LG.

The lead firms can have their own affiliates in other countries (off shoring) such as LG Electronics India Pvt. Ltd. which make products for them or else production/assembling is outsourced to firms called 'Contract Manufacturers'. Contract manufacturers make products for lead firms and sometimes provide design services as well. Production services alone –

comprising component purchasing, circuit board assembly, final assembly, and testing – are referred to in the industry as electronics manufacturing services (EMS). In recent years, Foxconn (Hon Hai), based in Taiwan but with very large production facilities in China, Vietnam, and the Czech Republic, has emerged as the industry's largest player, in part on the basis of huge orders received from Apple for the production of the iPod and iPhone product lines (See box on Foxconn). These firms often have facilities abroad to perform high-volume production in locations with lower costs and proximity to promising new markets. India happens to be one such location. Lead firms such as LG Electronics, Whirlpool, Samsung have invested in India to take advantage of low labour costs as well as a growing market.

FOXCONN

Foxconn is a notorious example of how the profits of global electronic companies are made from exploiting labor all over the world. It rose to infamy with 18 suicide attempts by the workers in 2010 which resulted in 14 deaths. It is reported that thereafter, although the frequency of suicides decreased (mainly due to Foxconn's installation of nets making it more difficult for workers to jump from their dormitories, along with the development of workers' collective resistance), such suicides have continued to the present.

Foxconn has been accused of gross labour violations and horrifying work conditions. It has been accused of employing underage (as young as 14 years) interns, making workers sleep in narrow, prison-like corridors, in triple-decked bunk beds to save space, with simple bamboo mats for mattresses. The overcrowded dormitories are run by military-like security forces. The workers are often forced to do overtime for 80 -100 hours per month, in violation of the legal limit of 36 hours. Workers are reported to have complained that the assembly lines ran too fast, and that they were required to finish every procedure in exactly two seconds. A report states 'Workers aren't allowed to

talk, smile, sit down, walk around or move unnecessarily during their long working hours, which require them to finish 20,000 products every day. After the spate of suicides in 2010, all Foxconn employees were forced to sign a new legally binding document promising that they won't kill themselves. It further stated that all employees (or their dependants) must promise not to sue the company as the result of "any unexpected death or injury, including suicide or "self torture".

India in the Global Chain: Make in India

Not to be left behind, India is keen to secure its place in the Global Value Chain for Electronics. Today, the contribution of electronic industry in our GDP is 1.7 per cent (Draft Policy on Make-in India for electronic industry) and within this, consumer electronics comprises 28 per cent of total electronic production.

However, India remains confined to the lower end of the Global Value Chain in the electronics industry. In order to encourage the sector, Indian government provides a number of incentives and the present government has announced additional measures as part of Make in India programme so that the global brand companies find it attractive to invest in India. The incentives include financial and fiscal incentives by the central and the state governments, provision of cheap resources such as land and labour reforms which enables the brand company to cut down labour costs.

Financial incentives

There are number of incentives in the form of tax concessions, subsidies and allowances already in place for encouraging the manufacture and export of electronic products. There is Zero

customs duty on Export Promotion Capital Goods (EPCG). There is a Modified Special Incentive Package Scheme (MSIPS) for attracting capital investment (20% incentive in SEZs and 25% in non-SEZs). Electronic Manufacturing Clusters (EMCs) are created with financial assistance up to 50% for creating world class infrastructure for electronics manufacturing industries. There is provision for availing additional depreciation of 15% upto 31st March 2017. For encouraging the trade with certain countries, government of India is offering additional 2% export subsidy under Merchandise Export from India Scheme (MEIS) for exporting certain products to certain markets.

Make in India policy, further aims to increase the share of Foreign Direct Investment (FDI) coming into this sector. In order to promote production and export, as part of this policy the government has announced additional policy changes and initiatives such as Rollout of Goods and Service Tax, to simplify tax structure and put an end to tax uncertainty, allowing rebate on all the domestic taxes on all exports at the exit point. There is a policy for setting up of Coastal Economic Zones (CEZs) with state of art infrastructure for ease of doing business across borders with flexible labor and land acquisition laws and creating Electronic – industry Specific Zones and clusters within these CEZs on the lines of China. A ten year tax holiday is announced for the companies with large investment (more than US\$ 1 billion) and more than 20000 employees.

Incentives by Uttar Pradesh Government

UP government in particular is developing greater Noida as an industrial hub. Over the past few years, a number of initiatives have been taken to increase manufacturing in India under the

flagship Make in India program of the Indian Government. The UP government has come out with a number of policies which would be favourable for the manufacturing sector in general and the electronics manufacturing segment in particular. These policies are numerous and encompass many fiscal as well as other initiatives. The goal of these policies is to establish electronics manufacturing clusters in the state. The companies operating within these clusters shall be given preferential allotment of land along with a rebate of 25% in the provision of land. There are subsidies on fixed assets as well in the interest rates. The industries would get 100% exemption in stamp duty along with 100% reimbursement on VAT/CST subject to certain conditions. Many other provisions would be applicable on the case to case basis. One of the most attractive features is an uninterrupted power supply for these manufacturing locations.

In recent years, these subsidies have attracted investments from quite a few foreign conglomerates and large electronics companies for mobile phone manufacturing. Indian mobile phone OEMs like Lava, Intex and Karbonn already have units set up in Noida. Another recent entrant is Vivo which has set up shop in Greater Noida for mobile phone manufacturing. Korean giants Samsung and LG were amongst the first to enter the region. Samsung manufactures mobile phones in large quantities in Greater Noida (to the tune of 40million devices per annum), LG has also recently announced that they would be manufacturing their flagship mobile phones in the low cost range in their Greater Noida plant.

Proposed Labour Reforms

Apart from financial incentives, the government is also announcing and implementing labour reforms to make it easier for brand companies to come to India and squeeze labour. These

labour reforms are also being done in order to give a push to NDA's programmes like 'Make in India', 'Skill India' and 'Digital India initiative'. A bill to amend the Factories Act, 1948 is pending in the Lok Sabha since August 2014. Since the passing of this comprehensive bill is taking a long time, on 10th August 2016, a hurried amendment to the Factories Act initiated by Bandaru Dattatreya, Minister of State (Independent Charge) Labour and Employment was cleared by the Lok Sabha on the same day when it was introduced. The amendment focusses on two things. First, it seeks to increase the ceiling of permitted overtime hours. Second, it seeks to empower the Central Government in addition to the State Government in framing exempting rules and orders with regard to the ceiling of overtime hours. The stated objectives of the amendment are “to facilitate ease of doing business so as to enhance employment opportunities”, and to “boost the manufacturing sector”. It is also stated that “the need for increasing the total number of hours of work on overtime per quarter year is based on the demand from industries so that factories can carry out the work on urgent basis”.

The Amendment is yet to be cleared by the Rajya Sabha. With the passing of the Bill, not just the State Government but also the Central Government will now have the power to prescribe Rules under the Factories Act, and to make exempting Rules and Orders with regard to working hours (Chapter VI of the Act). In making such exemptions owing to the nature of work as specified in section 64(2), the total number of hours of overtime work can now be extended upto 100 hours per quarter instead of 50. Any such exempting rules made prior to the Factories (Amendment) Bill, 2016 will remain in force for not more than five years. Similarly in order to help factories deal with the "pressure of work", the Central Government or as the case may be the State

Government can increase the overtime hours, the upper limit now being increased from 75 to 115 per quarter. This upper limit can be extended upto 125 hours in “public interest” with prior approval. Though Dattatreya is reported to have said that "*Overtime is only an opportunity*" so that workers can "*work more and earn more*", he does not reveal that this proposed change will only legitimise the long working hours that the workers are forced to undergo at present and in return will allow them only a meagre overtime payment as compared to the profits earned by the company.

Apart from this, the Ministry of Labour and Employment has set out to the task of amalgamating provisions of 43 labour laws into 4 codes. These are Labour Code on Wages, Labour Code on Industrial Relations, Labour Code on Social Security and Welfare, Labour Code on Safety and Working Conditions. A Draft Small Factory Bill is underway which amalgamates the provisions of six labour laws at one place for factories employing less than 40 workers. These proposed “reforms” contain certain provisions that clearly go against interests of workers. For instance, the draft Code on Industrial Relations amalgamates three pivotal laws namely the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. There are special provisions in the Industrial Disputes Act, 1947 laid down in Chapter VB whereby permission is to be sought from the appropriate government before lay off, retrenchment or closure in certain establishments. Whatever little safeguard this chapter offers to workers, at present it is applicable to an industrial undertaking where at least 100 workmen were employed for the preceding 12 months. This minimum number has been proposed to be increased to 300. This means that all

the establishments employing fewer than 300 workers will now be exempt from any scrutiny before lay off retrenchment or closure.

Conclusion and Demands

The occupation of the precincts of LG Electronics by its workers and the subsequent clamp down by the police, alongside the tactics adopted by the management to scuttle and break-down the workers' agitation, reflects an all too familiar pattern. The contexts of neo-liberal restructuring of market and labour in which countries like India which have presented cheap and surplus labour as one of the several incentives rolled out generously to attract foreign companies to Make in India, have provided the backdrop against which all political regimes have in complicity with capital, abused and exploited labour. Recent developments in the 'reform' of labour laws, have exacerbated the process of protection of capital, and making labour susceptible to greater exploitation, by providing exemptions, dilutions, and restrictions in the labour law. The denial of the right to form unions, not just in LG, but all such companies, explicitly, or through suppression of any activity which has the faintest resemblance to a collective action, through the use of strong arm tactics or the foisting of false police cases, is a gross denial of the political and constitutional right to form associations and unions. The situation of workers in Foxconn (China) is harrowing, but if companies in India are allowed to go unchecked, workers in India may soon be following on the same tracks. It is important that the right of the workers to unionise and be able to improve their work conditions be preserved. The workers are asking nothing more than what they are entitled to under the constitution of India, and no

company or government can deny them this right without facing the charge of subverting the constitution of India.

We demand:

1. Union formed by the workers be registered and recognised immediately.
2. Arbitrary transfers of workers be revoked by management.
3. Management should hold dialogue with the union formed by the workers regarding their pending demands.

Letter from a harassed worker at LG

Sandeep Sharma is a worker at LG Electronics who was brought under pressure by the management, for his role in the unionisation and all India protest of 2nd September. Sharma went missing soon after, leaving this message for his wife, on the phone:

प्यारी बबिता,

वैसे तो किसी कीमत पर तुम्हे छोड़कर नहीं जाऊंगा परंतु अगर मेरे साथ कुछ होता है या फिर परेशां होकर या ज़्यादा दबाव में आकर सहन न करने के कारन कुछ कदम उठा लेता हूँ तो इस का ज़िम्मेदार राकेश शर्मा जो कि LG factory में RI line का manager हैउसे तथा LG company के management को माना जाये तथा मेरे दोनों बच्चों के 25 वर्ष उम्र हो जाने तक पूरे परिवार (माँ , बाप , बीवी और बच्चे सहित) का खर्च 50,000/ महीना + 20% के हिसाब से राकेश शर्मा या उस के परिवार से वसूल किया जाये

संदीप शर्मा

Employee code G00400 (LG Electronics India Private Limited)
(Sandeep Sharma returned in the third week of September, but still continues to face pressure.)

“The Last Graveyard” (2011)

*Even the machine is nodding off
Sealed workshops store diseased iron
Wages concealed behind curtains
Like the love that young workers bury at the
bottom of their hearts
With no time for expression, emotion crumbles
into dust
They have stomachs forged of iron
Full of thick acid, sulfuric and nitric
Industry captures their tears before they have
the chance to fall
Time flows by, their heads lost in fog
Output weighs down their age, pain works overtime day and
night
In their lives, dizziness before their time is latent
The jig forces the skin to peel
And while it's at it, plates on a layer of aluminium alloy
Some still endure, while others are taken by illness
I am dozing between them, guarding
The last graveyard of our youth.*

***Poem by Xu Lizhi, Foxconn worker who committed
suicide in 2014***

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