

# India: Karnataka factory inspectors find workers' abuse at the Wistron iPhone plant

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An enquiry initiated by the state government of Karnataka in southern India found grave violations of labour laws by the Taiwanese multinational Wistron Corporation.

The investigation came after an uprising by Wistron workers at the Narasapura plant over nonpayment of wages. The plant, which manufactures iPhone 7 and iPhone SE for Apple, is located about 55 km from the state capital Bengaluru (formerly Bangalore).

Outrage at the plant boiled over on December 12 after management slammed the door in the face of workers requesting payment of back wages, which have accumulated for three months or more for some even as they are forced to work 12-hour shifts. The provocation triggered a violent reaction from thousands of workers, who laid waste to managers' offices and overturned their vehicles.

Initially, the company accused workers of severely damaging the facility to the tune of 4.37 billion rupees (\$58 million). However, the company later backtracked, stating that "unlike earlier reports, the violence did not cause any material damage to major manufacturing equipment and warehouses, with preliminary estimates of damages in the range of Rs 270-520 million (\$3.6-\$7.2 million)."

The investigation by the state Department of Factories, Boilers, Industrial Safety & Health found that the company had illegally increased working hours from 8 hours to 12 hours a day and did not pay the stipulated overtime wages. Furthermore, the company was guilty of non-payment of wages on time according to Karnataka laws, which state that wages have to be paid by around the first of the month. Instead, the company deposited workers' wages into bank accounts irregularly, with some wages paid as late as the third week of the month.

The report further highlighted that the attendance monitoring system was in total shambles, resulting in the company undercounting the number of hours worked by an employee. There was a wide gap between company practices at the factory and the legal mandates the company was obliged to follow, the report observed.

Despite such gross violations, including wage-theft, there is no indication that Wistron executives will be held to account in any fashion.

As opposed to the velvet-glove treatment towards Wistron Corporation, police raiding parties have rounded up at least 160 workers and thrown them in jail with the threat of criminal prosecution. According to other press reports, the police have filed First Information Reports (FIR) against a draconian 7,000 persons at the behest of the company. An FIR is a formal document filed by the police when they receive criminal complaints, the first step towards possible prosecution. In this case, the police are acting on the complaints of the company to issue these thousands of FIRs.

The overwhelming majority of the workers employed at the facility were contract workers who are hired and fired at will, endure brutal working conditions and are paid slave-wages. According to the state Labour Ministry, at least 8,490 workers are employed on contract through different labour contracting companies and only 1,343 are regular workers on company payroll.

Speaking anonymously to *The Indian Express*, one of the workers revealed the harrowing pay and working conditions the workers are enduring:

"After our [job] interviews, they said our shift would be of eight hours and that they would receive Rs. 15,000 (\$201) per month on hand after deductions are

made for taxes and retirement Provident Fund. However, we were paid less than Rs 10,000 (\$133) and the wages even differed from person to person.”

Continuing, he added that “the company allotted night shift and day shift allowances of only Rs 127 (\$1.70) and Rs 50 (67 US cents) per day in addition to food. Though initially, we worked eight hours, over the last three months we were told to put in more than 13 hours, with a lunch or dinner break of only one hour in between. Apart from this, several workers were terminated last month.”

In response, Apple is mounting a damage control operation. It now claims that it has placed this facility under “probation” i.e., no new orders will be forthcoming from Apple until Wistron has “corrected the problems.”

Apple’s statement is entirely hypocritical. It is notorious for squeezing its contract manufacturers of Apple products, and its relentless pressure upon factories in China and Taiwan to reduce “costs” is how it consistently maintains its super profits.

This was recently revealed when the Pegatron corporation, another prominent manufacturer and supplier for Apple, was recently placed on “probation” for abusive practices against workers at its facility in China.

According to press reports, a few months ago, Wistron tried to massively ramp up production of iPhones at this facility. It hired thousands of new contract workers which ended up overwhelming its existing labour management and attendance monitoring systems.

In the aftermath of plant uprising, the focus of the Karnataka state government, headed by arch-reactionary BJP Chief Minister Yediyurappa, together with the national government of Prime Minister Narendra Modi, has been about the “damage” this may cause to its “Make in India” campaign.

“Make in India” transnational manufacturers like Wistron corporation hire workers on contract who can be paid a pittance and hired and fired at will, in exchange for locating manufacturing and assembly facilities in India. Modi’s government has gutted labour laws, environmental regulations and offered financial breaks as further incentives.

Thundered Yediyurappa in the aftermath of the Wistron workers rebellion:

“We have taken action. Foreign companies are important. These things should not have happened. The Prime Minister is also very much worried. We have instructed that such things will not be tolerated and let them continue production (sic).”

Under what the Modi government terms as Production Linked Incentives (PLI), a gargantuan sum of \$6.65 billion has been earmarked to companies, including top Apple contractors Foxconn, Pegatron and Wistron, to locally manufacture smartphones.

The BJP “rolled out the red carpet,” in Modi’s words, to global corporations since coming to power in 2014. This has been its political focus even during the COVID-19 pandemic, which has spread uncontrollably, leading to over 146,000 deaths in India, behind only Brazil and the United States.

This has triggered mass opposition. On November 26, tens of millions of workers and farmers participated in a nationwide general strike against the Modi government. Meanwhile, hundreds of thousands of farmers have laid siege to the country’s capital New Delhi for four weeks. Various other agitations including a 6-week-long strike followed by and subsequent lockout of 3,000 Toyota Kirloskar Motors auto workers in Karnataka, and an indefinite strike by 5,000 nurses at the All India Institute of Medical Sciences, India’s premier Medical Institute.



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