

Comment from Supplier B sent to SwedWatch on 2007-03-28

SWED WATCH

This is in reference to a report by Swed Watch on our unit marked as Unit B.

We vehemently refute many of the allegations made by the reporter, while we would confirm and explain some of them.

UNION

We refute the allegation that we have no workers union. Our workers have been unionised for the last twenty years. There are regular elections and the winner is declared the Collective Bargaining Agent – who then negotiates an annual wage and benefits agreement with the management.

As documentary proof we attach herewith the annual agreement for the last six years. We also have documented proof of the elections, and can provide this. One person making an allegation does not make a fact.

PUNISHMENTS

We deny that there are any unfair or harsh punishments being meted out in our factory. We deny that we have ever deducted anybody's wages equalling to even one days salary for any mistake.

FIRE AND HAZARD

We have issued boots, gloves and aprons to all workers in contact with hazardous chemicals. If some of them do not use them we do not punish them – only reprimand them. We have full equipment for meeting a fire or first aid emergency.

An annual drill is held by the Civil Defence Department to train the workers in this field. Such a drill was held last year on April 20th, 2006.

We have issued face masks to all workers – almost as many as half of them choose to wear them. However we do not punish those who do not use them.

TWELVE HOUR SHIFTS

This is an industry practice and all the weaving sections of the towel industry is organised this way. We ourselves wish to do away with it but the union demands that they get paid the same for 8 hours as they do for 12. This would force up our wage bill so much that we would have to increase prices. If we do that we would loose our customers to other suppliers who all have 12 hour shifts throughout the factory, and not just in the weaving section.

We are seriously working on this issue to find a solution acceptable to the workers and does not increase costs to an unacceptable level.

MINIMUM WAGE

We have always paid more than the minimum salary over the last twenty years and can prove it. The last collective wage agreement signed in April 2006 increased our minimum salary to Rs.3500 per month for the new unskilled workers. Workers with longer service and skills are paid more than that. Our average salary is Rs5872 per month (which is 47% above the minimum wage). This was when the statutory minimum wage was RS.3000/ per month.

In July 2006, three months after our agreement had gone into effect the Government increased the minimum wage from Rs3000 to Rs 4000 per month. As a 15% jump over the existing 18% increase contracted in April would have driven the company bankrupt the union and the management decided to postpone the increase to the new agreement to april 2007 when the new wage contract is to be signed.

Apart from the minimum wage we provide subsidised meals at the canteen. The subsidy is about 50% of the cost of the meal. In all years that there is a profit we declare a bonus which is a months basic wage.

SHABBY CONDITIONS

Maybe the factory is shabby. It is an old structure so it cannot be compared to new factories. However the canteen is just as neat or shabby as the offices of the management. The stitching packing, and dye house sections have been rehabbed and work will start on the greige section next month.

It must be remembered that there is no allowance or bonus for enforcing social norms. We voluntarily stopped child employment twenty years ago. We paid the children to go through school without being a burden on their parents. We have never indulged in bonded workers. We have actively employed religious minorities and handicapped persons. We have done away with contracted labourers in the last two years. As our financial conditions improve we will go on providing better facilities to our workers.

Lastly we would suggest that as per internationally accepted norms all allegations should be checked with independent sources, and with the management, and their point of view listened to before a report is filed.

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