

# **THE STRUGGLE OF WORKERS OF WISTRON CORPORATION- KARNATAKA EXPOSE THE BRUTAL AND SUPER- EXPLOITATION OF LABOUR BY IMPERIALISM AND TRANS- NATIONAL CORPORATIONS**

The workers of the Taiwanese company, Wistron Infocom manufacturing facility at Narsapura, Near Kolar of Karnataka State have violently confronted and ferociously retaliated the management that has been brutally, inhumanly exploiting their labour power ruthlessly.

This production facility of Wistron corp assembles the latest version of iPhone SE. This is one of the supply chain plants out-sourced by the APPLE INC for high-tech manufacturing of its iPhones. The Taiwanese Wistron company has benchmarked – marked \$250 millions as its Indian plan. Wistron project is showcased as the government's success in attracting foreign direct investment and the so-called 'Atma Nirbar' vision of making India self-reliant.

Wistron company hired 1,343 permanent workers and 8,490 contract workers through six contractors and staffing firms Randstad, Quess corp, Innovsource, Creative Engineers needs manpower support services, Adecco group and United (House Keeping). These workers are young and educated hailing from Malur, Mulbagil, Koskote, Kolar and Chikkaballapur of Karnataka State and also from Tamil Nadu, Andhra Pradesh and Northern States. Women and youth from Dalit sections joined in these jobs. Many students also joined the workforce as their colleges are closed due to pandemic COVID.

The permanent workers are employed in supervisory and managerial and H.R. departments. Most of the H.R. staff are women who are being instrumental in constantly monitoring discipline of workers. Contract workers are engaged in assembly lines of production work.

These workers are goaded to work in appalling working conditions, standing all the working hours without sufficient rest time. They are penalized for late reporting to shift duty even for a few minutes. The work-load is constantly raised through frantic pace of production. The workers are not paid with statutory minimum wages. The workers are not issued their contract orders of working. They are made to work over-time forcibly. Women workers are forced to work in the mid-night shifts without their consent and without the government prescribed safety arrangements. They are suffering with non-payment, or only partial payment of wages. Their overtime wages are not being paid. The workers are not paid with their promised salaries. Their salaries are being reduced drastically. There is no arrangement for the workers to complain their grievances and for their alleviation. Notwithstanding these violations, the management has arbitrarily made 12 hrs shifts, forcing the workers to work in those shifts. There are no trade unions, and the labour department that is supposed to enforce labour laws is intentionally slumbering against these gross violations of labour laws and inhuman and brutal exploitation of the labour power of these workers.

Naturally this forced condition of work, left without any means of their betterment, treating them not as human beings with dignity and respect (real) has enraged the workers, to ferociously retaliate these abhorrent working and living conditions. On Dec 12 their anger turned to rage, resulting in a violent confrontation of protest. This is the one of the biggest expressions of industrial protests of workers of our country in the recent years.

As usual the media dubbed this expression of workers protest as a rampage. The state government not only condemned the workers protest as violence but also promised to take stringent action against the perpetrators.

The police entered the scene and arrested 167 workers. They were hounding other workers who have participated in the protest confrontation with the management.

The Wistron management played the part of an innocent victim and made a false claim that it had incurred a loss to the tune of Rs. 437.7 crores, due to the industrial unrest of the workers. Basing on this claim around 2,000 workers were booked under F.I.Rs. To substantiate the false claim of the management and to inflate the gravity of the so-called misconduct of the protested workers, the asst-manager of H.R., Malini Srinivas complained that she noticed a group of contract workers barge in to women's section of workplace and started ransacking the premises. The group armed with iron rods and clubs started breaking open the staff lockers and taking away the belongings of the employees. She even alleged that the mob misbehaved and assaulted the women employees. She even claimed that she bravely rescued 400 of the women staff under trouble.

Based on these false charges the police charged the workers with outraging the modesty, unlawful assembly and trespass.

With such concocted stories and abnormally inflated loss claims, the wistron management chose to cover-up its violations and heinous exploitation of labour power of the workers.

Instead of enquiring in to the cause that goaded the workers to resort to this expression of industrial unrest and to order to punish those who are responsible for this unrest, the centre asked the state administration for an expeditious enquiry to identify the culprits (workers) and ensure that investor sentiment is not affected due to the incident. The prime minister has been reported to be very worried' about the develop-ment, and all necessary support has been promised so that the Wistron plant may start its operations as early as possible.

The state government too announced that it will take measures to ensure that such incidents do not occur and the chief minister has grandly announced that "protecting the interests for foreign investors is very important to us."

The central government has given 43 acres in the industrial area of Narsapura of Karnataka state, to the Wistron Corporation as it promised of providing employment and investment. The quality of employment provided by wistron and treatment meted out to the workers is sweat-shop working conditions, ruthless inhuman exploitation of their labour power without treating them as humans, but a commodity to extract super-profits such has been the nature of employment provided by the Wistron Corporation. It has deli-berately violated the labour laws, undermining the Indian government, its laws and even its sovereignty in its pursuance of earning super profits.

On the other hand the prime minister the state government and other administrative departments instead of taking the Wistron Corporation for task for its violations and brutal exploitation of workers, have shamelessly taken up the cause and interests of wistron corporation and foreign capital by brazenly announcing that "protecting the interests for foreign investors is very important to us!" Instead of taking stringent action on the management of Wistron Corporation that has created an unavoidable circumstance to workers to violent confrontation and ferocious retaliation in protection of their rights, interests and human dignity and respect the rulers have chosen to victimize them in the name of law and order. They intend to cover up their failures in protecting the rights of workers - the Indian citizens – in the name of law and order refusing to view and accept the incident as an issue of complex industrial relations, encouraged by them in the name of attracting foreign investment and protecting the investor sentiment and to ensure it. Our rulers sincerely with an avowed zeal are serving the interests of the imperialist, transnational big capital, showing their real class nature that they are anti-working class and anti-people.

However, this incident of violent confrontation of the workers came to the attention of the people through-out the world, making them to discuss the abominal sweat-shop working conditions and practices of exploitation of labour power of workers even in the present modern age of twenty-first century, and the role of inter-national capital in attaining super-profits.

These discussions and public opinion is directed at the APPLE INC.- the principal employer of these workers, and its global practices and methods of produ-ction and their ethics. The attention of public is directed at the very mode of capitalist production in the twenty first century organised by global commodity chains like APPLE INC in this present instance.

Up to now the giant commodity chains like APPLE INC have been adopting a line of evasion of their responsibility, for sweat shop – production methods of severe exploitation often by shifting the onus to the sub-contracting firms or by keeping silent about the issue.

But this present incident of violent confrontation of workers has attracted international attention causing a pressure from the consumers side, that APPLE INC had to protect its brand name that is hurt very badly. So Apple inc has by itself had to initiate an investigation in to the incident, to save its face and image in India to where it has shifted its high-tech production of assemblage of its I phones from china.

As the wages of workers are increasing in china, and the Indian government has been giving tax-breaks through productivity linked incentive schemes for the promotion of electronics manu-facturing, specifically smart phones in India, for global marts, APPLE INC shifted its production (assemblage) of I phones SE.20, and other models to India. Already its contract supply chain production company FOXCONN has a plant at Sri Perumbuder, Tamilnadu and another contract supply chain company will start its operations in 2022. Apple began assembling I phones in India in 2017.

After the preliminary probe, Apple INC announced that it is found that these were payment delays to workers during October and November violating the 'firm's supplier code of conduct and said it will

continue to monitor wistron's progress on corrective action. Apple also grandly announced that "our main objective is to make sure all workers are treated with dignity and respect, and fully compensated promptly". It also indicated it may put wistron on probation of its contract supply.

With such a 'magnanimous' announcement APPLE has extricated itself from its responsibility with vague and empty phrases. It never promised living wages and dignified human working conditions for the workers.

In the investigations it is disclosed that the Wistron has incurred a loss of only Rs. 41.37 crores, during the confrontation of workers on dec.12, but not Rs. 471 crores as has been falsely claimed by the company.

In view of the APPLE INC's reaction to the incident, in its attempt to save its brand image and business even Wistron Corporation had to admit that "we have been investigating and found that some workers were not paid properly or on time. We deeply regret this and apologies to all our workers. Some of the process we rest in place to manage labour agencies and payments needed to be strengthened and upgraded. We are taking immediate action to correct this including discipline action" and announced that "we are removing the vice president who oversees our business in India. We are also entrancing our processes and restructuring our teams to ensure these issues cannot happen again." And also announced that "we deeply regret this and apologies to all our workers. This is a new facility and we recognize that we made mistakes as we expanded". With such vague and diplomatic phrases the Taiwanese company has absolved itself for its violations and cruel methods of H.R. of inhuman exploitation. But it has not withdrawn its cases, complaints and F.I.R.'s registered against the workers with the police; nor has any intention to do so.

While such has been the attitude of the foreign employers (transnational corporations) with regards to their unfair and inhuman practices of production, the rulers and the governments of our country that have to ensure the statutory rights and entitlements of workers, and human and dignified working and living conditions, too have abdicated their responsibility and duty and have chosen to support the errant and criminal foreign corporations.

The state labour department and the factories and boiler departments too have prepared a separate inspection report and submitted it. The labour department pointed a host of violations of the contract labour (Regulation and abolition) Act 1970, the Minimum Wages Act, 1948 and rules 1958, the Equal Wages Act. 1976, and rules 1976 and the employment (Standing Order) Act 1946. The factories department points to manpower in the factory increasing from the licensed capacity of 5,000 to 10,500 in short span. "The change in working hours from 8 hrs to 12 hrs shift on continuous basis has not been brought to the notice of the department and necessary exemptions under the Factories Act have not been taken to carry out overtime work from the workers."

These officials who made the report that pointed out violations are the very authority to initiate action also against the company. But they have not done so. On the contrary the factories department concluded its report by stating that "The HR department (of the company) has not been adequately setup with personnel of sound knowledge of labour laws". With such a ruse they have cunningly shown a way, to exonerate the wistron company from its violations.

This incident of violent confrontation and ferocious retaliation of protest of workers has not occurred due to inadequate setting up HR personnel of sound knowledge or the wistron company being new company as it claimed, but it is the inevitable consequence of the system of production organized by the APPLE INC and the worst HR practices of wistron in not treating the workers as human beings.

APPLE INC is organising its high-tech manufacturing through off shore production subcontracting it to subcontractors mainly in the periphery with production carried out according to their exact, digital specifications a system known as arms length contracting or called as non-equity modes production. The Taiwanese Wistron corporation is producing I phones for the buyer driven transnational company APPLE in India. These commodity chain supply production contractor companies adopt the method of global labour arbitrage, also referred sometimes as low-cost country sourcing in business circles. This is how the imperialism in twenty first century derives value from low-wage labour in the periphery. The trans-National giant corporations like APPLE are carrying out a process of unequal exchange in which they get, more labour for less, while excess surplus obtained is misleadingly attributed to innovative, financial and value-extractive economic activities taking place at the centre of the system. The global labour arbitrage captures immense value, from the exploitation of labour power of other nations from which the production is off shored. These major multinational corporations

like Apple do not manufacture its own products, and is not a real manufacturer, but merely a merchandise.

Thus apple churns out its 'smart' devices at increased speeds and with tight timelines 24x7, the burden actually falls on the workers of the sub-contractor taking up the production, - in this present case wistron corporation forcing them to work under harsh conditions, doing overtime, long tiring shifts without much breaks and under constant disciplinary monitoring by supervisors. These regimented work practices on the assembly line matched by low pay and no social security without avenues for workers to channelise grievances this is the actual cause for the present violent confrontation of protest.

This is not the first time to APPLE to know that its sub-contractor chains are violating the so called code of conduct of suppliers, there are many examples of such and many violations of its supply chain sub-contractors like Fox Conn and pegatron in china. Many employees at Fox Conn in china who were provided with factory – provided dormitories, have committed suicides unable to bear the forcible working and living conditions imposed on them, by jumping from their flats of their apartment buildings. Again in the Apple's second largest contractor supplier pegatron in china last month, it is faced with the charges of employing students for night shifts and over work, Violating the code of conduct norms. It is an ever continuing phenomenon in the very organizing system of production of APPLE that inevitably tends to such violent industrial expressions of unrest by the workers concerned.

In September, 2019, Tricon-tinental, the institute for social research brought a report of the rate of exploitation on the I phone manufacturing, in places like FOXCONN where long work days and unsafe working conditions are the norm. The report says that : a) if the I phone is made in USA, it would cost at least \$30,000 per phone. b). In order to purchase iphone costing \$30,000, a minimum range worker in India would have to work 15.5 years, each day. c). Each time an iphone X is sold for \$999, Apple receives \$603.56 of surplus value in money form. d). the rate of exploitation of the iphone is 2458%. This is 25 times the rates of exploitation that are gleaned from Karl Marx's in Capital published in 1867. e). Workers who make the iphone in 21<sup>st</sup> century, in other words are 25 times more exploited than the textile workers in England in 19<sup>th</sup> century, whose conditions (the thesis) were described by Engels.

Thus over exploitation of labour is done through global labour arbitrage by international capital. It extracts more out of workers through various means including repressive work-environments in periphery economy factories (like in Wistron at Karnataka state), state-enforced bans on unionization and quota systems or piece rate-work.

Thus the transnational corpo-rations export capital (FDI) to the underdeveloped countries in order to secure a high return on exploi-tation of abundant cheap labour (which is the case with Apple) and control of economically pivotal natural resources. This is the method of imperialist exploitation in 21<sup>st</sup> century.

By adopting such method of over exploitation, Apple's gross profit margin I phone 4 in 2010 was found to be 59% of the final sales price. For each iphone 4 imported to the United States from china in 2010, retailing at \$549, only \$10 or 1.8 percent of the final sales price, went to labour costs for production of the components and assembly in china.

Due to this globalised commodity chain system of exploitation inequality is rising to abnormal levels throughout the globe.

Through this system of super exploitation, in the absolute sense the workers are paid less than the cost of reproduction of their labour power.

This is what is happening through the organization system of production of APPLE, in India through its sub-contractors FOXCONN, pegatron and presently is Wistron in India.

The incident of ferocious retaliation of protest of workers in Wistron has to be viewed in this background but not an isolated incident of 'rampage' as is viewed by the media and an incident of law and order by the rulers and governmental authorities.

However this incident has exposed the super exploitation system in 21<sup>st</sup> century by imperialism through its method of global arbitrage and particularly of the inhuman, brutal and ruthless nature of exploitation of workers by APPLE through its sub-contractor of production Wistron.

One need not be under the illusion that either APPLE or WISTRON would mend their ways and correct their cruel methods of exploitation and change them to better conditions. Their apologies and promises of bettering the working conditions are merely an attempt of eye-wash intended to

hood-wink the troubled sentiments of customers are exclusively protect the brand name and to continue further their over exploitation.

The workers and the worker's movement in India have to under-stand these realities and organize and unite them-selves better to resist the super exploitation of international capital and protect their rights and interests.

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