

1st Electronic Sector Roundtable in India | 30th November 2012 | Chennai: Report

This report covers the proceedings and discussions during the *1st Electronic Sector Roundtable in India*, conducted on 30th November in Chennai. This roundtable was a joint initiative by Cividep India and Social Accountability International (SAI) to bring together local as well as global stakeholders and enable dialogue through discussion on industry challenges as well as the improvement of workplace standards. The roundtable was attended by 21 participants representing different stakeholder groups including companies, trade unions, certification bodies and Civil Society Organisations.

Main Points of the Discussion:

1. **Need for “Social Dialogue”**- Participants stood up and observed silence for a minute as a mark of respect to workers who lost their lives in the recent garment factory fires in Pakistan and Bangladesh. SAI received critical feedback from the stakeholders and it reconfirmed its commitment to the mission of human rights at work. There is a Q&A page created by SAI to explain actions taken after the factory fire in Pakistan and more information on SA8000® system. www.sa-intl.org

Social dialogue is understood as a process that establishes the legitimacy of businesses in the wider society and also the basis for healthy industrial relations. Moreover, an atmosphere of dignity and respect for important stakeholders like labour and the community achieved through dialogue can act as a safety valve in the industry by avoiding grievances from becoming insurmountable. It also provides an opportunity of presenting concerns in a systematic and timely manner. All participants emphasized the importance of listening to each other and also engage in discussions with the intentions to improve the current situation.

2. **Stakeholder mapping** – Participants were involved in an exercise to identify at least one important stakeholder group which should be present at the roundtable to make the dialogue meaningful. The following stakeholders were identified by the group. It may be noted that of these the government, consumer groups and E-Recyclers were not present at this Roundtable.

Trade unions	NGOs
Manufacturers	Certification bodies / Auditors
Government	Buyers / Brands
Consumer groups	E-Recyclers

There needs to be more engagement with the Government to encourage and persuade them to implement and enforce policies – one of the major challenges in India. The group felt that the Government must be urged to attend meetings like this because they are an important part of the social dialogue process. It should also be ensured that other important stakeholders such as E-Recyclers attend, since e-waste is a pressing issue of this sector.

3. **Priorities of the Sector-** Participants had to identify priority areas to be dealt with by the group. The group ranked Labour as the top most pressing issue, followed by health and safety and E-Recycling. Environmental issues and Business Ethics are also important but were not ranked as a top priority by this group . However, stakeholders feel all the areas are important for social dialogue and should be addressed in future meetings. (For the definition of priority area of EICC please refer to <http://www.eicc.info/>)

- I. Labour
- II. Health and Safety
- III. E-recycling
- IV. Environment
- V. Ethics

The stakeholders decided that it will be valuable to conduct separate focused sessions on the above topics starting with Health and Safety.

4. **Voice of Workers**- A guest speaker who is employed in a major manufacturing unit near Chennai expressed concerns about freedom of association, health & safety, wages and lack of factory crèches in this sector. He reported that working hours in his factory are from 8am to 5pm but often workers are required to be present for meetings before or after their shift which are compulsory but the extra spent in the factory is not compensated for. Despite inspections and audits which identify problems very little is done to address these effectively, he said.

Workers are often unaware of their rights. Workers organizations which are interested in educating workers about their rights cannot engage with them easily without the consent of the management. Instead of involving workers organizations in dialogue management seek to discipline workers by informing their parents about their son/daughter's involvement with unions or in an industrial action such as a strike.

5. **Contract Labour**: Cividep summarized lessons learned from the global electronics sector Roundtable in Amsterdam and looked at the topic of contract labour from the perspectives of business as well as a trade unions and civil society. Companies on the one hand hire contract workers to be able to meet production demands and respond to business fluctuations. Contract workers on the other hand have very low job security and often earn less than their permanent colleagues even though they do the same work. They sometimes receive less social benefits as well and are often not allowed to join a union. Brands shared that there is a difference between outsourcing services (i.e. catering, cleaning) and contract labour. Factories will have to rely on outsourced services through labour agents but it is possible to restrict use of contract labour in core production jobs. Other stakeholders argued that the distinction between core and peripheral jobs is problematic. They felt that security guards or cleaning staff (services that any factory will need) should be made permanent as well even though they are not involved directly in the production process.

The Supplier Code of Conduct of a company should be applicable to all outsourced services. The cost of contract labour/outsourced services is high. Furthermore, there is high turnover of contract workers so in the long-term it is not cost effective. There is a need to develop a Business case for reduced use of contract labour. Worker groups mentioned that currently, there is very weak monitoring of labor agencies. Contract workers face the risk of being exploited both by the factories they work for and by the labour agencies. Another problem is that some contract workers might be working excessively, exceeding permitted number of working hours per day by working for more than one labour agent. Therefore, companies should limit short-term contracts and strive for regularization of contract workers after a fixed period of employment.

Ways forward discussed by stakeholders:

- a. Labour Rights Education and social dialogue – needs more discussion among stakeholders;
 - b. Have only permanent employees – do not engage labour contractors;
 - c. Examine whether or not companies should outsource services – these services often have layers of contractors that are potentially taking advantage of workers;
 - d. Ensure social security benefits for all contract workers – ESI, PF and gratuity;
 - e. Stricter monitoring of labour agencies and their compliance to labour standards.
6. **United Nations Guiding Principles on Business and Human Rights (UNGPs)**- Edwin Koster (*SAI's European representative*) made a short presentation on the UNGPs and their relevance to supply chains. Cases in point were discussed in order to clarify the different levels of responsibility ("*Cause, Contribute & Linked*") of companies that have a negative impact on human rights. SAI has developed a handbook on implementation of the UN Guiding Principles in the supply chain and is conducting regular trainings on this topic. <http://www.sa-intl.org/ungptraining>

Cividep in cooperation with SOMO and CEDAH has published a guide for civil society organisations on how to use the UN Guiding Principles on Business and Human Rights in company research and advocacy. This guide aims to provide concrete support, guidance and a uniform reference framework for CSOs in using the UNGPs. A copy of the guide was provided to all the participants. <http://cividep.org/wp-content/uploads/How-to-use-the-UN-Guiding-Principles-on-Business-and-Human-Rights-in-company-research-and-advocacy.pdf>

7. **Special Economic Zones (SEZs)**- The second guest speaker at this roundtable Ms Ramapriya Gopalakrishnan, a lawyer gave a presentation on labour laws in SEZs with special focus on the Contract Labour Regulation and Abolition Act.

Two major issues faced by workers in SEZs:

- 1) Lack of effective implementation of labour laws
- 2) Shortcomings and loopholes in the law.

We need to look at strengthening the laws and strengthening the implementation of laws in these regions. Once again, workers need to be made aware of their rights and then struggle together to see change. Whilst there are definitely problems with the government, laws & courts we cannot completely discount their use or power. Workers are approaching the lawyers & the courts to settle their disputes.

The stakeholders expressed concern that the central government has directed all powers over SEZs to the state governments.

- a) The SEZ development commissioner becomes the labor commissioner/reconciliation officer in SEZ. However, this poses a conflict of interest because the inherent role of the development commissioner is to develop the area, promote investment, make SEZ more profitable etc.
- b) Oftentimes, workers are working without any confirmation letter – i.e. a letter confirming their employment and years of service. This can go on for years and is a significant problem throughout India in all sectors. Workers can be unaware of their right to this letter of employment confirmation.

8. Expected outcomes from dialogue- four major outcomes were highlighted by participants.

#	EXPECTED OUTCOME	DETAILS
A	Employee engagement	<ol style="list-style-type: none"> i. Structural interface between management and workers ii. Transparency iii. Respect for Freedom of Association and other ILO conventions iv. Tripartite consensus
B	Engaging the government	<ol style="list-style-type: none"> i. Better policies and effective enforcement of laws by the government
C	Collaboration of stakeholders	<ol style="list-style-type: none"> i. Transparency and collaboration among stakeholders ii. Continued communication on subjects of mutual interest iii. Icebreaking, trust building and consensus among stakeholders iv. Networking
D	Best practices	<ol style="list-style-type: none"> i. Create multi-stakeholder working groups ii. Work on key problems and possible solutions iii. Create plans of action iv. Sharing experiences of successful implementation

9. Path forward for 2013 and beyond

- a. Important to ensure participation of more brand companies, domestic manufacturers, environmental organizations, health & safety organizations, e-recyclers, labour agencies and government;
- b. Stakeholders acknowledged that each of us can contribute to the Improvement of workplace standards by building capacity to understand the underlying challenges of the electronics sector and find solutions together.
- c. Important to work on specific projects which will involve efforts from all stakeholders to put agreements into practice. Stakeholders agreed to start with an issue of common interest: Health & Safety;
- d. There was interest from all stakeholders to continue the roundtables in 2013. Cividep and SAI will plan further roundtables and reach out to stakeholders with Terms of Reference and procedure of participation.
- e. Further roundtables might take place in different locations in India.

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