

US watchdog uncovers violence against pro-union workers at Indian factory

Shahi Exports, which makes clothes for top brands such as H&M and Benetton, accused by Worker Rights Consortium



WRC found that eight managers were responsible for the violence and death threats and that 15 pro-union workers had been wrongly suspended. Photograph: Andrew Caballero-Reynolds/AFP/Getty Images

Shahi Exports, India's largest apparel exporter, several union supporters were this spring circulating a petition that asked management to provide cleaner water and increase pay. Shahi managers responded, an independent monitoring group found, by making death threats to several pro-union workers and directing other employees to beat them.

One manager at Shahi's "Unit 8" factory in Bangalore told a female union supporter: "It won't be a sin if people kill you and get rid of you."

He then reportedly urged other workers to beat her, with one nearly strangling her, an investigation by the monitoring group found.

A second manager, that investigation found, lashed out at another female union supporter and told other employees: "These whores are trying to close the factory. Beat her and kill her." That worker was then beaten and had her clothes torn and her necklace, mobile phone and handbag stolen.

The investigation by the Worker Rights Consortium (WRC), a Washington-based group that monitors factories for 190 universities in the US, Canada and the UK, found that eight managers were responsible for the violence and death threats and that 15 pro-union workers had been wrongly suspended.

It comes as WRC is fighting to hold on to the gains it made for workers at textile companies in neighboring Bangladesh following a global outcry over conditions in the wake of the fatal collapse of the Rana Plaza complex in 2013.

WRC called on Shahi to fire those managers, reinstate the workers and recognize the union. But when Shahi denied the managers' responsibility for any violence and refused to fire them, the WRC urged major western brands that buy apparel from Shahi - including H&M, Benetton, Abercrombie & Fitch and Columbia Sportswear - to press Shahi to fire the managers and apologize to the 15 workers.

Facing increased pressure from the WRC and western companies, Shahi said early this month - three months after the violence - that it had terminated five managers and had begun termination proceedings against four others. Shahi also reinstated the 15 workers, paid them back pay and agreed to recognize and negotiate with the union, the Karnataka Garment Workers' Union.

Scott Nova, the WRC's executive director, said Shahi took these steps only after the WRC mounted a pressure campaign and released a 28-page investigative report detailing abuses at Shahi. Nova said Shahi's earlier offer to reinstate the 15 workers was meaningless because those workers would be scared to return if the managers who had made death threats and directed others to beat them were still working (several managers had been suspended).

The Worker Rights Consortium is financed by 190 universities to monitor factories worldwide that produce university-logo apparel. The WRC's investigations have led western brands to stop using certain factories that violate worker rights, and many factories fear the WRC's findings of violations.

Nova voiced dismay that several brands that buy apparel from Shahi knew nothing about the beatings or threats at the 3,000-employee factory until the WRC had informed them. "The brands claim strict labor standards" and extensive monitoring, Nova said. "Yet managers at a key supplier assaulted workers and threatened to kill them, faced no disciplinary action, and more than two months later were still helping churn out product for brands like Benetton and Abercrombie & Fitch."

Anant Ahuja, one of Shahi's top executives, took issue with the WRC's investigation, telling the Guardian: "We were not able to verify or find any proof that these managers made death threats, hit workers, or urged anyone to beat up workers." Ahuja said the "WRC was bent upon Shahi taking punitive action by terminating these employees" and added that "in response to unrelenting pressure mounted by WRC", Shahi "had to terminate them".

Ahuja said the violence broke out between pro-union employees and other workers outside the factory, saying union activists were coercing other employees to sign the petition and join the union. He accused the WRC of pushing sensationalized claims of death threats and managers beating workers, saying that those claims were based on interviews with union supporters.

"We at Shahi have always been committed to improving worker welfare," Ahuja said, adding that "in this isolated case", there were "grievance redressal issues, but we have cooperated with unions, had a good and productive negotiation with them."

India's news media closely followed the Shahi dispute largely because a top Shahi executive, Anand Ahuja, recently married one of Bollywood's most popular actresses, Sonam Kapoor.

WRC officials stood by their investigative report, calling Shahi's version "demonstrably false and willfully dishonest". The WRC said its investigators had interviewed more than 30 Shahi workers and found that several managers had called union supporters into their office, berated them and then directed other employees to beat them.


The WRC's investigation found that one manager told a male, pro-union worker, "Your caste is only fit to clean bathrooms. How dare you ask for an increase in wages?" before getting other employees to beat and rob him.

The WRC pointed to a recent statement Shahi made to its Bangalore employees in which it expressed its regret about the violence and said that the suspended union supporters "have not committed any wrong whatsoever".

Nova and Ben Hensler, the WRC's general counsel, said several major western brands that bought garments from Shahi were slow to pressure Shahi and at first fell short by not calling for it to fire the managers responsible for the violence. The WRC released its investigative report on 20 June to step up pressure on the western brands and Shahi.

"If we had left it to the brands," Nova said, "the union would be dead, its leaders blacklisted, the workforce terrorized into silence, and the managers who authored the anti-union violence probably in line for promotion."

The brands said they were aggressive about pressing Shahi to discipline the managers, rehire the workers and recognize the union. "We can assure you that we are extensively using our leverage," H&M said. "A public apology has been issued by the management as well as recognition of the right to freedom of association. What has happened at Shahi is unacceptable."

Abel Navarrete, vice-president for corporate responsibility at Columbia Sportswear, which produces athletic gear for many universities, said, Shahi, "had a lot of pressure from all the brands. There were constant calls to their president and family members." He said many companies did not immediately demand that managers be terminated because of concerns about due process, "that they might fire people without cause". 

Abercrombie & Fitch said, "We are deeply disturbed for what occurred at Shahi's Unit 8 factory and at the pain and suffering caused to the 15 workers. We do not tolerate this type of behavior." Benetton said, "We are in continuous contact with Shahi, to insist that workers' rights ... are guaranteed."

With regard to the dispute between Shahi and the WRC about what happened, Mark Anner, director of the Center for Global Workers' Rights at Penn State University, said: "It's telling that the company did take these steps - rehiring the workers and dismissing some of the managers. That suggests they're acknowledging that the brands found these reports to be credible."

Anner noted that the price western buyers pay for apparel in India and Bangladesh has gone down since 2000. "That creates incentive to avoid unions at all cost," he said. He said companies with corporate responsibility programs are often far too slow to detect and address abuses against workers. "We still have to depend far too often on independent campaigns and media exposés to get companies to address serious violations," he said.

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