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WEEKEND Business

ECONOMY P4
JAYALALITHA TO WALK OUT OF JAIL TODAY

MARKETS ON FRIDAY

Nifty	26,108.53	▲	109.19
Nifty Futures*	7,779.70	▲	31.50
BSE Sensex	7,817.05	▲	37.35
Bank Nifty	61.44	▲	61.85*
Oil	78.78	▲	78.87**
Gold (10 gm)	85.32*	▲	86.29*
Crude Oil (10 gm)	27,700.00	▼	225.00

*Premium on Nifty Spot, **Previous day's close, BSE's per cent market rate inclusive of GST and premium

PHOTO: ANIL K. SHARMA

Now, an auto harness plant in Tihar Jail

AMAN SETHI
 New Delhi, 17 October

A new factory has been opened in South Asia's largest prison. For eight hours a day, six days a week, inmates of Tihar Jail here gather in an airy tin-roofed shed in Jail Two to tape long strands of insulated wire into harnesses for the Alto 800, one of Maruti Suzuki's most popular cars.

The plant, operated by Minda Furukawa Electric (MFE) — a joint venture between Ashok Minda Group, a leading automobile component supplier with an annual turnover of ₹3,000 crore, and Furukawa of Japan — is a public-private-partnership between the Tihar prison complex and the private auto component maker.

The company has trained 30 inmates, and work is underway to build a much larger facility, to employ 250 prisoners on two shifts.

The project, a first for the Indian auto sector, is part of MFE's corporate social responsibility (CSR) programme. On-job training, authorities say, will provide inmates employable skills at the time of their

release.

Labour unions, however, caution work behind the prison's high walls will be difficult to monitor and regulate.

"We have factories across the country," said Ashok Minda, chairman of Ashok Minda Group, noting his group had 29 manufacturing facilities that could partner prisons across major cities. "Once this model is established, fully implemented and successful, we will definitely go for horizontal deployment."

An MFE spokesperson said the company was exploring a similar arrangement in the new prison complex at Rohini in the north of this city.

Six months into operations, company officials said, inmates were assembling wire harnesses at a rate comparable to that at the company's facility in Bawal, Haryana. To meet the company's quality standards, the harnesses are checked twice — in Tihar and Bawal.

Indian courts mandate those sentenced to rigorous imprisonment must be put to work. Therefore, a significant proportion of Tihar's 12,000 inmates are employed in the



Minda Furukawa officials say six months into operations, inmates are assembling harnesses at a rate comparable to that at the firm's Bawal plant

PHOTO: SANJAY K SHARMA

prison factories that produce school furniture, file covers for the high court here, biscuits, towels, shoes and mustard oil. All the factories, with the exception of MFE and shoes units, are owned and operated by the state. Of late, prison officials said, private companies had shown interest.

"The companies get a captive, uninterrupted labour

supply," said M K Dwivedi, superintendent of Jail Two. "Prison wages are much lower than wages paid outside, and once trained, a worker can't leave and join a competitor." There are no unions, no factory inspectors, few strikes, electricity at cost, and commercial space at ₹10 per sq ft. Prison authorities are responsible for the discipline, meals and

accommodation of its worker inmates.

Tihar inmates are paid ₹99 a day for eight hours of skilled work, and ₹70 a day for unskilled work. A quarter of these wages is deducted and directed towards a victims' relief fund.

Minda Furukawa pays 15 per cent more than prison wages, or ₹113.85 a day, for skilled workers. It contributes 10 per cent, or ₹11.30 per worker, per day, to the prison welfare fund — a total cost of ₹125.15 per worker, per day for skilled work.

Minimum wages in Delhi are three times higher — ₹399 a day for skilled work and ₹329 a day for unskilled work.

"Theoretically, our wage bill is lower in prison, but we actually spend more on logistics, dual inspections, supervision and training," said N K Taneja, Minda's chief marketing officer. "The objective is not to save on wages; the objective is to do something for society."

An automobile's wire harnesses control all electricals from the ignition to the lights, and consist of a set of insulated wires taped together by hand.

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Now, an auto harness plant in Tihar Jail

"Harness-making is a labour-intensive process that must be done manually," said K D Singh, president of Minda Furukawa, explaining why the company chose this process for its Tihar facility.

The company envisions the Tihar facility as producing harnesses at a steady rate for its inventory stocks, rather than for its just-in-time needs, which are handled by its Bawal plant.

Inmates who had applied for positions at the plant were selected on the basis of their motor skills, eyesight, literacy, and length of sentence. Those selected were trained for a month.

"If someone is convicted for less than five years, we don't take him," said Taneja of Minda. "For long-term convicts, once you train them, you take advantage...so that you have the continued services of a trained, skilled inmate."

Business Standard interviewed the inmates in the presence of senior MFE employees. In line with prison policy, prisoners weren't asked about their convictions. Uttam Kumar, 49, line supervisor at MFE's Tihar facility, is in the 15th year of his life sentence. His job is to keep his crew disciplined and motivated. "Most of us are serving life sentences," he said. "But if we are released, we will not waste a single day in finding a job. If we work properly with no misconduct, we can get parole to

visit our families."

For Vikas Gupta, in the sixth year of his life sentence, the wages help support his family outside. "My son dropped out of school. He works with his uncle; they import kite lines from China, coat those with ground glass and make manjha," he said. "My daughter is in school. Any financial help for them is always welcome."

Labour activists have reacted cautiously. "If the work done in prison is comparable to that outside, the wages should be comparable as well," says Rakhi Sehgal of the New Trade Union Initiative. "We must guard against unemployment outside, with booming employment on the inside."

"How will violations of labour rights in prison be monitored and addressed?" she asks. Workers in Minda's plant in Bawal, Sehgal said, had been on strike for at least three months this year, demanding better working conditions and a workers' union.

"We have laws against bonded labour; jail labour is literally in bondage. It is a shame this should be allowed," said Kavita Krishnan, an activist with the Communist Party of India (Marxist-Leninist) Liberation. "Corporations want captive labour and what better system than workers who are actually in jail?"

She added 148 workers from Maruti Suzuki had been imprisoned for two years without bail, on charges of killing a plant

manager. "The evidence is flimsy, according to news reports. Maybe, jailed Maruti workers can service the company from inside."

Minda Furukawa's Taneja dismisses such allegations. "There is no business model. It is purely a CSR initiative. If there is any business benefit, it is purely incidental," he says. "It will employ only 250 people, a small fraction of our workforce of 11,500."

The rationale for the Tihar plant, Taneja said, was unrelated to the Bawal strike, which resulted from political interference.

The acceptability of prison labour in other labour-intensive sectors is likely to be determined by each company's compliance guidelines. "For the garment sector, prison labour is a no-no, from a compliance point of view," said garment exporter Sudhir Dhingra, chairman of Orient Craft. "In the fashion world, they would consider it forced labour and no one would buy the products."

Dhingra said the current project seemed a good idea, but the "social aspect would have to be nurtured".

In Minda Furukawa's case, the company said Maruti Suzuki had approved the project.

Back in Tihar, inmates go through their routines with quiet efficiency. "We are going to be here for a long time. So, we need to do something," said inmate Gajendra Singh. "Work stills the mind."