

## **Summary of Research on “Baldia Factory Fire Tragedy” on 11 September 2012**

September 11, 2012 was one of the darkest days in the history of labor movement in Pakistan and it was also the deadliest disaster not only in textile sector but all industrial sector of the world. On the day fire was broke out in Ali Enterprises, a garment factory in SITE area, Karachi in which 257 workers died within small spine of time. The main cause of these deaths was unprotected working environment. Many of the stranded workers died of suffocation as they were trapped in a factory with no emergency exits available. A large number of workers suffered serious injuries as they jumped from the building for their safety. It was not the first incident of its kind but every day such workplace mishaps are reported albeit on smaller scale, which mostly go unnoticed. There are factories and commercial establishments, spread all over the country, having same horrible working conditions, posing potential threats to the lives of about 60million Pakistani workers.

History reminds that 101 years ago on 25<sup>th</sup> March 1911 a same fire incident took place in the Triangle Shirtwaist Factory (New York City) in the USA which resulted in death of 146 garment workers. After 101 years the history was repeated but with a more severity, burning alive of 257 officially confirmed workers in the inferno in Ali Enterprises Karachi, producing garments for a Germany-based International Buyer “KiK”. These victims were in their prime years, mostly ageing between 15 to 35 years.

Karachi, where the fire tragedy was witnessed, is the largest city, industrial and commercial hub of Pakistan where more than 65% of industries of the country are located, producing merchandizes for local and international markets. Textile garments is one of the most important sectors providing job to millions of workforce and earning much needed foreign exchange, though on the cost of cheap labour and precarious working environment. Majority of factories least bothers about the labour laws, international labour standards and even their own agreed Code of Conducts (COC) with the international buyers. Ali Enterprises was one of these factories having all signs of anti-workers policies, with more focus on maximizing profit, paying least attention to the safety and wellbeing of their workers. Ali Enterprises had an estimated turnover of 10 to 50 million US dollars a year, compared with a salary of skilled worker between 50 to 100 US dollars paid at the end of the month. The company manufactures semi-finished and finished products for the brand "OKAY Jeans," of KiK based in Germany as well as for other brands like Go Blue and Diesel, as revealed by the workers in their interviews in this survey. The factory employed approximately 2000 workers in different shifts for different jobs in its 16 sections.

It was informed by the survived workers that more than 500 workers including women and children were in the factory premises when the fire broke out. Many workers, who were off duty, were also inside the factory on the fateful day because it was the pay day. On Tuesday, 11th September 2012 at around 6pm a fire broke out at the first floor of the factory where all the supplies including inflammable chemicals and materials were kept, which resulted in a huge blaze, causing death of a large number of workers. It was not the first fire accident in the factory. During the survey many interviewed workers revealed that it was the third fire accident. Previously, two fire incidents had occurred due to electric short-circuit but they were not as dreadful as the 9/11 mishap. In February of the same year (2012) a fire mishap was also reported by the workers of Ali Enterprises, but in spite of series of such incidents, the factory owners didn't take any precautionary measures to secure the lives of their workers. On 11<sup>th</sup> September 2011 the owners and management of the factory applied the same negligent attitude and committed heinous crime as they didn't allow their workers to escape for their lives, and ordered them first to salvage the material, machinery and finished products. They didn't realize the intensity of fire and considered it a minor one like previous small fire accidents. Their criminal negligence speaks loudly about the mindset of industrialists and their management in Pakistan.

The workers, who were interviewed, confirmed that the emergency gates were locked and the main electric gate was also locked on the instruction of the factory management. All windows were also blocked, permanently, with the iron grills on the pretext to stop theft of merchandise. It was a shocking and criminal intentional negligence on the part of factory management that no emergency alarm was there to alert the workers to escape during emergency situations to save their lives. There was only one entrance and exist point, which was also blocked with materials and merchandise dumped there.

It was confirmed from the Labour Department, Government of Sindh that Ali Enterprises was not officially registered under the Factories Act 1934 and its building design was also not approved by the competent building control authority. The factory had been functioning since long in the heart of an industrial zone of Karachi, illegally, without any check. The four-storied garment factory had only one exit and with no functioning firefighting instruments. The workers didn't have any training and system support to cope with emergency situations. Another stark reality was that the majority of workers were also not registered with any social security institution, which is mandatory under the labour laws. These workers were forced to work for 12 to 14 hours a day on low wages. It was also confirmed by the interviewees that majority of workers didn't have formal appointment letters and most of them were hired through contractor. The lack of appointment letters was a main hurdle in the way to get registered workers' representative trade union in the factory. The same tactics of recruitment through contractors is adopted by majority of employers in Pakistani factories to avoid the guaranteed rights of workers.

This is the real outcome of crony capitalism where workers are deprived of their basic rights. The overwhelming majority of industrialists only abide by their greed to earn more and more profit and apply all tactics and foul play to deny the basic rights to their workers, and even to sacrifice their lives at the altar of profit. The fact is that workers are the main vehicle to increase the wealth of their masters. The tragedy of 9/11 in Karachi tells us that in the 21st century this cruel capitalist approach has pushed the workers virtually to a medieval era where they had had no rights but only the slavery chains.

Prevailing situation of workers' rights and poor safety standards at workplace revealed that not only local manufacturers but also the international companies, brands and certification organizations are responsible for such fatal incidents. International brands and audit certification organizations have to implement the international labour laws and standards for safeguarding the rights of workers in the third world countries but sadly they also become the key vehicles to support local private enterprises that just want money by hook or by crook. These multinational companies never pay attention to the inhuman working condition at workplaces like Ali Enterprises from where they get the finished products for sale in European and North American markets. They fully know about the working conditions in Pakistani factories where no laws are followed, and which do not have genuine unions to safeguard the workers' stakes. It was informed by some surviving workers that children also used to work in Ali Enterprises and all workers did not have any social security, though the factory was certified by SA8000 just 10 days before the tragedy. Kik (international brand) assumed the responsibility of fire after intense pressure of international labour movement and agreed to compensate the workers; however, they agreed on a meager amount of 1 million USD. They considered it as rehabilitation. However, the compensation as calculated as per international standards for the affected workers and their families stands 20 times higher than what the Kik has paid.

An international Social Audit Company RINA had issued SA8000 certificate to Ali Enterprises which means the factory was safe and working conditions there were more than satisfactory. The certificate was issued just 10 days before the accident which speaks volumes about the credibility and authenticity of the audit system of so-called international audit companies.

The Governments of Pakistan has not yet completely compensated the legal heirs of burnt victims. As per reports only 257 workers got the partial compensation, as majority of the workers didn't know the procedures adopted by the officials and government to compensate the family members of deceased workers. The authorities could not even produce DNA reports of 25 families whose loved ones were still missing, while only 17 unidentified bodies were buried in Mucho graveyard in Baldia Town. After the fire incident many workers became unemployed and those who were injured due to the fire didn't get proper treatment from the government. Now these families are facing problems to make both ends meet and they are literally starving.

The government also formed an inquiry commission and it submitted its report to the Sindh government but it is yet to be made public. Not a single member of the commission was expert of the given task but

the government formed the commission anyway. The workers who were interviewed even didn't know about the members of the commission and its functions.

Soon after the Ali Enterprises tragedy, the government announced the compensation amount for the bereaved families, as under:

Prime Minister	Rs400, 000
Chief Minister	Rs300, 000
Malik Riaz (Industrialist)	Rs200, 000

The commission information revealed that 178 workers' families got Rs900, 000 and 81 families received Rs700, 000 in first phase. Some individuals, International buyer and owners also committed to pay compensation as under:

KIK	Rs 97,975,058
Factory owners	Rs 61, 800, 000
Philanthropists	Rs 5, 720, 000

A Compensation Commission for the distribution of compensation amount headed by retired judge was formed on the order of Sindh High Court (SHC). The Compensation Commission has agreed to distribute compensation money in two rounds of second phase. In first round legal heirs of each deceased workers will receive total amount Rs. 500,000/-. Where as in second round same legal heirs of each deceased workers will receive total Rs. 110,000/-. This commission, till now, distributed more than 900 cheques (according to Sharia law) among 215 bereaved families and remaining families will get their compensation by the end of September 2013. This commission also distributed the collected amount among fifty-five injured workers. For the injured workers, the commission has formed criteria to distribute compensation as under:

Permanently disable injured workers	Rs500, 000/-
Gravely injured workers	Rs250, 000/-
Simple injured workers	Rs125, 000/-

It is very unfortunate that in an industrial city like Karachi where more than 65% of industries of the country are located has no laboratory to conduct DNA tests at a time of any mishap and tragedy like what happened in Ali Enterprises on September 11, 2012. There was no proper mechanism to collect the DNA samples of deceased's blood relatives so the bereaved families braved agony and trauma for many months to get the DNA reports to confirm the identity of unclaimed charred bodies lying in the Edhi mortuary of Karachi. It is reported that the related officials took repeatedly blood samples for the DNA identification purpose. There are still 25 unidentified workers, and 17 of them were buried in the Baldia graveyard of the city.

National Trade Union Federation (NTUF) was the first labor body of Pakistan which showed their serious concern over huge death of workers by recording their protest in Pakistan on 12<sup>th</sup> September 2012 outside the Karachi Press Club (KPC). Soon after the fire incident they mobilized many trade union workers to stand for their own protection at workplace and secure better working conditions for workers. They brought all labor federations and unions to one platform to launch a struggle for the just cause of workers and formed a Workers Right Movement (WRM) on 23<sup>rd</sup> September 2012. The NTUF was the first organization which also exposes the negligence of international brand "KiK" and faulty social auditing system.

The incident of Ali Enterprises has now changed into a new symbol of workers resistance movement which would help the factory workers to secure the right of having decent working environment and to get rid of social injustice and prevailing modern slavery, based on crony capitalism.

The labour resistance movement would also help to uproot the unjust economic and social system based on capitalism in Pakistan, which has been devised only to protect the vested interests of the elite class.

### **Purpose of the Research:**

The main purpose of the survey were

- To highlight the issues of labours working in the Ali Enterprises
- To record the information on working conditions and wages
- To find out the brand and what product the workers were preparing at the Ali Enterprises
- To find out the issues of surviving workers and the families of deceased workers.

### **Recommendation:**

1. Appointment letters should be given to the workers at the time of their recruitment.
2. Safety and protection measures as envisaged in international and national labour law must be observed at workplace and the government should ratify ILO convention of occupational safety and health (OSH).
3. It is strongly suggested that electric gates in the factories should be banned.
4. Factory building should be certified by the building authorities.
5. Training is required for workers in connection with labour laws, health and safety at workplace.
6. Some serious strategies should be evolved to initiate the process of formation of workers' representative unions in factories.
7. Develop efficient labour inspection mechanism.
8. Reregister workers with social security institutions, Employees Old Age Benefits Institution and Workers Welfare Board at the time of their employment.
9. Strictly observe the laws to register the factories under Factories Act 1934,
10. Increase minimum wages which should be according to the inflation rate
11. International brands should buy from or order to those manufactures who implement all labour laws, especially safety measures at work place in true sense.
12. The international brand called KIK is equally responsible for the fire incident and it should compensate the workers according to international standards.
13. Eliminate child labour from factories and enroll child labors in schools
14. DNA test laboratory should be established in every industrial city.
15. SA certification shouldn't be used to undermine the national and international labour standards.
16. Cancel registration of audit certifying organizations which issue fake ISO and audit certificates to factories. Government of Pakistan should order the international audit company RINA to provide the list of 100 factories to whom they have issued the audit certificates.
17. ILO has failed to play its due role to train workers; it is recommended that the ILO should evolve strategy on it and cooperate with all federations instead of a few chosen ones.
18. There should be long term rehabilitation program for the families of the victims and injured workers.

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