

Worker's Unrest in Automobile plants in India: Strikes and Occupations at Maruti Suzuki and Bajaj Auto in 2011/12 and 2013

by Jörg Nowak

The new plant of India's biggest passenger car producer, Maruti Suzuki, saw two illegal strikes and wide-scale rioting in 2012. The causes of the conflict included the extension of contract labour, a higher work speed accompanied by real wage losses of 25 %, since the early 2000's, and a harsh work regime. Despite the events getting widespread attention they did not lead to a considerable change of labour relations in India.

The industrial city of Gurgaon, south of New Delhi, has seen an upswing of factory struggles since 2005. In that same year, workers at a Honda factory occupied their plant. In 2007, both the contract workers at Honda and India's biggest motorcycle producer, Hero, saw major strike movements.

Maruti Suzuki: New workforce, new conflicts

Initially, Maruti Suzuki was established as a state-run company but went on to be controlled by the Japanese company, Suzuki, since mid-2000. Maruti's main plant is also located in Gurgaon and 20 kilometres further south, in Manesar. In 2011, 75 % of labour in this factory consisted of contract workers from 60 different contractors, and at the time totalled to 2700 contract workers but only 1000 permanent workers. The contract workers earned about half of the wage (9000 Euros – 100 Euro) of permanent workers in 2011 (18000 Rupees).

But just there, in this new model factory, a three month-long conflict broke out in June 2011 where workers were being forced to join the trade union MUKU (Maruti Udyog Kamgar Union) founded by management. The independent union MSWU (Maruti Suzuki Workers Union) was denied registration by the state. In response, 2000 workers organised a sit-in strike for two weeks. After an agreement indicating that the independent union MSWU will be able to register, the occupation ended but again in mid-August the registration was denied by the administration. After a one month long lock-out, workers wanted to return to work but only the permanent workers were allowed to enter and around 1100 contract workers were denied entry. The contract workers asked permanent workers to show their solidarity and on the 7th of October the factory was occupied. On the same day, three other nearby plants of Suzuki were occupied by the workers employed there and more than twenty plants in the area

staged solidarity strikes. One week later, on October 14th, 2000 policemen evicted the canteen run by workers; with the workers giving up the occupations. But in the four Suzuki plants in Manesar, the strike went on for another week, and finally, management took back the locked-out contract workers. The conflict seemed to be settled, and a few days later the leaders of the independent MSWU were forced to accept high severance payments, threatened with prison charges and had to leave the factory. That was a heavy blow for many workers, because they put a lot of trust in their union. Resignation spread and many said "If these people trait us, then everyone would trait us." That event marked the end of the first period of struggle at the Maruti Suzuki plants. After the conflict, one important change was the speed of the conveyer belt was changed to produce one new car every 60 seconds, instead of every 45 seconds.

Management rejects all demands and faces workers' violence

In the course of spring 2012, the trade union MSWU was registered, but the negotiations about its demands pertaining to wage hikes and the integration of contract workers as permanent staff was rejected by management. The mood among workers got worse. On July 18 2012, a worker was insulted and slapped by a supervisor and subsequently dismissed. Negotiations of the union did not yield any results and violence broke out. The exact circumstances of what happened that day are still under dispute, but there are many hints that the escalation of violence was provoked by management. In India, violence initiated by security forces, paid by management, is a widespread method in order to get rid of organised workers, because subsequently the blame will be put on them. But initiating or provoking violence contains risks for management as the situation might get out of control. In the course of the unrest a fire broke out in the plant, killing one manager.

After the incidents of July 18, the factory remained closed for one month, where 546 permanent workers and 1800 contract workers were arbitrarily dismissed. In September 2012, wage hikes were introduced, but they

widened the gap between permanent and contract workers. In the weeks after the unrest, police arrested more than 150 workers, of which many had not been in the factory on July 18. The entire former trade union body was also jailed, but the trade union managed to organise around 600 workers of the present workforce in the factory. To date, they are in jail without any sentence. Bail was not granted and they all face murder charges. Protests against the arbitrary arrests were met with violent police crackdowns and with new arrests. Many of the prisoners were then tortured.

The results of the conflict were met with diverging views. Many of the dismissed workers thought it was good to send a signal of discontent, despite their individual situation. They also thought that the uprising spread fear among many CEOs and hoped that labour relations might improve. In fact, many car factories hiked wages in Gurgaon after the conflict in Maruti in 2011, hoping to prevent labour unrest. Some labour experts underlined that companies used the struggle at Maruti to increase negative sentiment against trade unions. During a recent strike by airline pilots, the strikers were labelled as labour terrorists by management. In any case, the conflict at Maruti Suzuki made a lot of waves in India, and particularly in the automobile sector. Although only permanent workers can be members of the trade union due to Indian labour laws, the strike managed to unite all categories of workers and drew its strength from this unity in action. It was only in the aftermath of the strike action in 2011 and after the violent uprising that labour conditions improved. The registration of the trade union was first inhibited by management, and then its demands were completely ignored.

Strike at Bajaj Auto in Pune

In June 2013, a strike broke out in Pune, at one of the three plants of India's second biggest motorcycle producer, Bajaj and many newspapers compared it to the conflict at Maruti Suzuki in the preceding year. The area around Pune is another big automobile cluster in India. Hence fears loomed in the corporate world about industrial violence being on the agenda again. Many conditions, at Bajaj, in fact resemble the ones that could be found in the Manesar plant of Maruti. In 2002, Bajaj Auto opened a new factory in Chakan, 15 kilometres north of the main plant in Pune and hired new workers, and in 2007, closed down the former main plant.

In the Chakan plant, the workforce consisted of around 1200 permanent workers and 1000 contract workers. In 2010, the trade union VKKS (Vishwa Kalyan Kamgar Sangathan) was formed. VKKS fought for a wage hike, toilet breaks and equal rights for contract workers. Due to 10 % inflation and a 50%

inflation of food prices, the 8 % wage hike that was agreed on earlier meant real wage losses. In addition, in October 2012, a hidden conflict began at the Chakan plant of Bajaj. After repeated harassment of workers one shift in the factory started to slow down the production for nine months. The strike, since June 2013, was followed by almost all the workers but the company managed to hire many new contract workers as scabs, to allow production to continue. Fifteen strikers were arrested during the strike and charged with assaulting scabs who wanted to enter the factory. Although the company did not have a proper license to hire these workers, they entered the factory in police vans. Again, state institutions acted deliberately in favour of capitalists. Finally, the strike ended after 50 days without a proper result and company agreed to start negotiations with the trade union. As the relations of forces in India are much in favour of capital; it is not unusual that a strike is led in order to force the company to take up negotiations. So, what could be read as a total defeat is at least a partial victory due to the standards of labour relations in India.

Even if the strike did not escalate at Bajaj Auto and the results remain somewhat unclear, there are important similarities with the conflict at Maruti-Suzuki: The companies in the auto industry in India saw considerable growth in the last ten years and increased the use of contract labour - it is this strategy of increased exploitation that leads to labour unrest. The foundation of a trade union proves to be the first way that workers can unite and experience collective struggles. But this traditional way of organising does not actually lead to improvements in the material conditions of work. It seems to be necessary that workers organise along the lines of supply beyond the company boundaries as the just-in-time systems with suppliers are very vulnerable. The production of a car does not only take place inside of one factory, but the production sites are dispersed to a high number of workplaces and it is the structural power going along with this organisation of production that remains to be used in its full scale by organised workers.¹

¹ As this article goes into publication, workers at Toyota India in Bangalore complete a second week of strike after a one week lockout that started on March 16, 2014. Union leaders on hunger strike have been attacked by police on April 5 and two unionists had to be hospitalised.

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