

How to read the 2 September strike in India? Anamitra Roychowdhury

On 2 September 2016, ten out of eleven national trade union centers in India went on strike. Only Bhartiya Mazdoor Sangh (BMS) – widely recognised as the trade union wing of the ruling Bhartiya Janata Party at the Centre – abstained. Another all-India strike had been organised on exactly the same day in 2015, with the participation of the same ten trade union centers and the notable exception of BMS. It is not only the repetition of the labour protest that is striking, but also that the twelve demands identified by trade unions in 2016 are an *exact reiteration* of the issues raised in 2015.

In the face of the 2015 strike, central government appointed a group of ministers, headed by the finance minister, to discuss the twelve-point charter of demands raised by trade unions. The ministerial panel convened meetings with the unions on 26 and 27 August 2015 and gave written assurances of regular consultation and to look positively at the demands. The government did not keep its promises and after August 2015 it did not convene a single meeting with all trade unions – only BMS was called for discussion on 16 and 22 August 2016¹ – nor did it fruitfully address any of the demands raised by them. Instead government introduced myriad labour law reforms that go against the demands raised by workers, such as allowing firms to prepare self-compliance/certification reports and encouraging use of contract labour. In light of government's failure to immediately and concretely address the issues, the ten unions went ahead with the strike. It is in this context that we must see the 2016 strike.

Issues at stake

A primary demand of the unions is to raise the present national minimum wage from Rs211 a day (or Rs5 486 a month for 26 days of work) to Rs692 (or Rs18 000 a month) for an unskilled farm worker. However, government only agreed to raise the minimum wage to Rs350 a day (or Rs9 100 a month). An associated demand of the trade unions is to bring all workers, including informal sector workers, under social security cover with an assured pension of at least Rs3 000 per month upon retirement. Additionally, trade unions pressed for raising gratuities, and abolishing all ceilings which currently exclude workers from receiving bonuses and provident funds.

Another key demand of trade unions in the face of rapidly changing labour laws is to ensure strict enforcement of all basic labour laws without exception or exemption, and to mete out stringent punishment to violators. Unions also urged strict regulation of the use of contract workers, in particular prohibiting employment of contract workers in the perennial activities of a firm and in the case of non-perennial activities, to pay contract workers wages and other benefits on par with regular workers in similar jobs. Further, to combat the situation of 'jobless

growth' that India is currently facing ([Mehrotra et al., 2012](#)) and tackle the problem of unemployment, the trade unions demanded concrete steps for employment creation. Unions also insisted that within 45 days of submitting their applications, they should be compulsorily registered. They additionally asked for the immediate ratification of ILO conventions C-87 (Freedom of Association and Protection of the Right to Organize) and C-98 (Right to Organize and Collective Bargaining).

Among other important demands of the trade unions are to halt disinvestment of national and state public sector undertakings and disallowing foreign direct investment flows into defence and other strategic sectors (including railways). In order to bring some relief to the lives of workers, a general demand is to contain inflation through universalisation of the public distribution system and banning speculative trade in commodities.

We now turn to the response of government aiming to contain labour unrest.

Government's Response

The present ruling party, as well as the previous government under Congress rule, is neo-liberal in approach. Both have given highest priority to high economic growth by encouraging private investment. In order to encourage domestic private investment and attract foreign investors, government is reluctant to adopt policies that go against the interests of private capital (such as limiting the use of contract labour) no matter how critically these affect the working class. In fact, Prime Minister Narendra Modi aggressively promoted the interests of capital by, amongst other things, liberalising foreign direct investment norms and instituting rapacious labour reforms, with the aim of improving India's rank in the 'Ease of Doing Business Index' to attain high economic growth. He argued: 'Ease of business is the first and foremost requirement if Make in India has to be made successful,' (The Indian Express, 2014). In fact, it is the fear of capital flight from India that further explains government's apathy towards the concerns raised by trade unions.

Unsurprisingly, the minimum wage approved by government was again only about half the unions' demands and government did not take any concrete steps towards fulfilling other demands. Such overt defiance from government over issues concerning labour welfare is largely explained by a rapid rise in contractual workforce associated with dramatic fall in functional trade unions. As [Sharma \(2006:2083\)](#) puts it, 'The fear of losing jobs has impelled unions to accept relocation, downsizing, productivity

linked wages, freezes in allowances and benefits, voluntary suspension of trade union rights for a specific period, and commitment to modernization.’

In dealing with the 2016 strike, government did not bother to convene meetings with all trade union centers and listen to their demands. Instead, government only consulted with BMS, confident that they could win over their members. Predictably, BMS once again abstained from the strike on the pretext that government agreed to raise the minimum wage by 65%. The general secretary of the BMS said: ‘We welcome it and are satisfied by the increase in minimum wages. BMS will not participate in the strike’ (The Indian Express, 2016). This is not unanticipated, as Bhowmik (2013) notes, ‘Most of the unions are appendages of political parties ... [moreover] unions aligned to the ruling party become less assertive in putting forth the demands of their members’.

Next we analyse the likely impact of the strike and draw lessons for the future.

Impact of the strike and future strategies

Since the advent of aggressive liberalisation policy in 1991, which generated a lasting attack on the working class, there have been 17 all-India strikes. However, these have hardly improved the situation of workers, as India’s rank in the Global Rights Index clearly indicates. India fared very poorly in 2014 and 2015, being grouped with nations having ‘no guarantee of rights’ for workers. In 2016, the situation deteriorated further and India joined the ranks of rogue countries with ‘... no guarantee of rights due to breakdown of law,’ (Sundar, 2016). Further, the 2015 strike was unable to put enough pressure on the government for it to seriously take up the issues raised by trade unions. Thus, amidst stagnant rates of union membership and inability to sustain long drawn-out battles (in the absence of alternative means of subsistence), one-day token strikes are unlikely to improve the conditions of the working class.

Confronted with this reality, unions may target strategic sectors of the economy, such as banking, telecommunications, and transport, for some time to press for demands that affect wider sections of the working class. However, this requires very strong solidarity amongst working people and trade unions should consciously work towards this. In this struggle, trade unions may seek support from certain political forces. As Bhaduri (2016:17) puts it, ‘when in opposition, they [political parties] try to gain public legitimacy by becoming virulent critics of the very same [neoliberal] policies. It becomes a race to the bottom in pleasing corporations when in power, and a race to the top in criticising them when out of power!’ Therefore, trade unions in addition to forging wider working class solidarity, might explore the possibility of mobilising support from the political parties sitting in opposition.

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name of jobs, Routledge, Taylor and Francis Books.

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Footnote

- 1 The joint declaration issued by the ten national trade unions issued in August 2016 stated: ‘It is unfortunate that during the past one year, the group of ministers appointed for discussion with CTUOs (unions) on 12-point charter has not convened a single meeting, but has been only talking to BMS which has not joined the strike call’ (The Indian Express, 2016).