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Global Production and Local Labour regimes: the use of Casual Labour within the Indian Auto Industry

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Outline

1. Indian Auto Industry: Growth and Competitive Advantage
2. Casualisation and the Contract Labour Issue
3. Workforce Composition and Struggles in the NCR
4. Assessment and Challenges Ahead
Indian Auto: growth and global integration

- Despite an only temporary slowdown in 2011-13, in the past few decades the Indian Auto industry experienced **constant and sustained growth**, suggesting a potentially leading role of the sector (In 2014-15, +8.68% growth in aggregate production; +3.90% in domestic sales of passenger vehicles, +10.80% for three-wheelers, and +8.09% for two wheelers; +14.89% increase in aggregate auto exports. Source: SIAM, 2015)

- While production is still mainly oriented towards the huge domestic market, **integration** of the sector on global markets is also growing: India aims at becoming an international hub for small vehicles manufacturing, and is the sixth larger producer of motor-vehicles in the world (Source: OICA, 2014).
What Competitive Advantage?

- Wide domestic market
- Growing middle class
- Relatively easy access to finance
- Low cost manufacturing
- Qualified workforce (IT, engineering, language skills)
- Large component suppliers base
- Low cost labour > **increasing employment of casual workers**
Casualisation and the Contract Labour issue

- Increasing share of casual workers across all Indian organised manufacturing > no dualism, but progressive penetration of all ‘protected’ segments

- As part of casualisation process, rising employment of Contract Labour > concerns over abuses of Contract Labour (Regulation and Abolition) Act, lack of social protection and political representation, lower pay.
Contract Workers in Indian Registered Manufacturing

Source: Chandrasekhar and Gosh, 2014.
Percentage of Contract Workers by Productive Sector

Major Indian Auto Clusters and OEMs distribution

The NCR Auto Cluster

The Delhi - Gurgaon - Faridabad industrial 'triangle'
Workforce Composition, Working and Living Conditions in the NCR

- **Overall Composition**: young, male, coming from different States, most speaking English, most having Higher Education qualifications

- **Employment**: Permanent – Trainee/ Apprentice – Contract

- **Working Conditions**: long working shifts, high speed on the line, short breaks, inadequate facilities, frequent accidents

- **Living Conditions**: wages too low to cover family living expenses (+wide disparities according to status), long commuting times, no spare time, diverse coverage of social benefits

- **Labour Organisation**: unionisation only amongst permanent workers (by Statute), casual workers do not belong to union but often refer to it, solidarity with General Strike demands (Feb 2012)
Labour Struggles in the NCR and the Maruti Strike

- Within an ongoing process of industrial working class formation, the NCR has recently been shaken by intense labour struggles, reaching their peak with the Maruti strikes in 2011-12.

- Beyond intensity, dynamics and outcomes of the strike, it’s worth noting composition of the workers taking action and demands raised > **solidarity bonds and centrality of the contract labour issue**
Concluding Remarks and Challenges Ahead

- Global competitiveness cannot be built without exploitation of Local labour regimes.

- Casualisation as corporate strategy and political tool, more than simple economic need > ‘casualisation by substitution’

- Despite attempts to fragment and depoliticise labour, workers have organised > besides lessons learned, need to overcome legal and political/institutional barriers to the inclusion of casual labour.
Thank You!

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