

**The Other Side  
of the Success Story**

*Work Conditions, Accidents and Workers' Rights at Hindalco.*

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# Introduction

On 10 April 1996 a sizable portion of the wall of a fly-ash disposal pond belonging to Hindalco Industries Ltd. collapsed at Renukoot town. Approximately 22,500 tonnes of the ash and water sludge swept the valley area upto the Rihand river covering a distance of over a kilometre. Large number of people are feared killed in the accident. However, no reliable estimates exist regarding the loss to both life and property.

Around a year ago water had started seeping at three places through the mud wall of the ash pond and flowing close to a Shri Sarweshwari Samooh Ashram situated some 50 metres from the base of the wall. This was brought to the notice of the Hindalco management. No measures were taken to check the seepage. On 15 March, a delegation from the Ashram met senior officials of the company to stress the need to stop the seepage, since it had increased drastically. A similar demand was also made a day prior to the accident.

The mud wall of the fly-ash pond forms the shortest route from the main road to Plant-B of Hindalco and is used as a regular route by workers going to and from the factory. On 10 April at about 7.40 a.m. the time of the change in shift, 60 metres of the dam wall collapsed. Two large halls of the Ashram were completely demolished and the rest of the three acre of land was covered with fly-ash up to a height of 15 feet, it was all over in less than 10 minutes.

Soon after, workers along with some Hindalco security guards pulled out three persons from the sludge. They were unconscious. Of them only two were brought to the hospital. The only person who reported the happening as a witness, Sudarshan Yadav, is subsequently not available in Renukoot. The two workers Ayodhyaand Nathuni, who were treated at the hospital are also not present in the town. Kaushal Pradhan, a contract worker who lived in a basti adjoining the fly-ash pond and Pujari

Goswami, a permanent worker residing in the company quarters, did not return home after the shift duty. The wives of Kaushal Pradhan and Pujari. Goswami filed complaints with police. Dwarika Singh, leader of a trade union associated with the AITUC, also filed a complaint providing some names of people feared killed in the accident. The police refused to take cognizance of the reported deaths and only registered an FIR (No. 66/96) under Section 337, IPC (causing hurt by negligent act).

For two days no official either from Hindalco or from the district administration visited the site of the accident. No rescue operations were undertaken. On 12 April the District Magistrate ordered an enquiry by the Sub Divisional Magistrate, Dudhi to ascertain the loss to life and property. A separate technical inquiry was to examine the question of safety measures.

A PUDR team visited the site in the third week of May. The SDM who had still not concluded his enquiry told the team that no person had officially died though Pujari Goswami and Kaushal Pradhan were still missing. Two bicycles and work implements had been recovered during the search operations. The route to the factory via the ash pond is being used even today. Our team counted 900 workers crossing the ash pond between 7.30 a.m. and 7.45 a.m. Workers using the route estimate the number killed between 50 and 100.

The management while officially denying that any worker died in the accident, have paid Rs. 7,000 to Kaushal Pradhan's widow for conducting the 'last rites' of her husband, and another Rs. 4,000 for 'repairing her hut'. She has also been appointed as '*ayah*' at the Hindalco hospital for a period of two months from May 1996. She has no idea of either her wages or the terms of her employment. As to Pujari Goswami's widow, she is completely alone after the accident. She has neither been contacted by the management, nor by trade union activists.

Hindalco Industries has anything but an impressive record of safety standards. A caustic soda tank in the factory burst as recent as November 1995, claiming the lives of six workers. Increase of workload, negligence and a lack of concern for workers' safety are some of the factors that cause such accidents. Protests by workers have been countered by terminations and suspensions, the grounds often being very flimsy. As of now gate meetings are forbidden' and a police chowki is

posted just outside the main entrance of the factory complex.

The Annual Report of Hindalco Industries for the year 1994-95 shows that it is one of the most successful and fast expanding company in the country. Accidents, terminations, and arbitrary terms of employment reveal the darker side to this success story. The present report attempts to describe this other side.

I.

## **Birlas in Renukoot**

### ***Industry and the rural poor***

Set up by the Birlas at Renukoot in Sonbhadra district of Uttar Pradesh in 1958, the Hindustan Aluminium Corporation, later named Hindalco Industries was part of the first phase of industrial development in the post-Independence era. Proximity to the large coal reserves in the south eastern part of the district as well as the bauxite mines both in Lohardaga district in Bihar and in Satna district of Madhya Pradesh were the obvious reasons for setting up the primary aluminium plant in Renukoot. The construction of the Rihand dam and the Obra dam, both on the Rihand river, ensured sufficient availability of water and later also of power. Rich mineral deposits, water and power paved the way for large scale industries, both in the public and the private sector. In 1954 a cement factory was set up at Churk and after it became part of the Uttar Pradesh State Cement Corporation, another factory was built at Dalla and a crushing unit came up at Chunar in the neighbouring Mirzapur district. In 1964, Kanoria Chemicals and Industries was set up at Renukoot. The same year, a 350 mega watt thermal power plant was set up by the Birlas at Renukoot to cater exclusively to the power requirements of Hindalco. Over the years, the increase in thermal power generation has transformed the district into the 'power capital' of the north. As of today there are five super thermal power plants,

all public sector enterprises at Obra, Rihand, Anpara, Shaktinagar and Singrauli. Coal mines are scattered along the border between Sonbhadra district and the neighbouring Surguja and Sidhi districts in Madhya Pradesh.

Despite the massive visible industrialisation, the occupational structure of the district remains virtually unaltered. An overwhelming majority of the population is engaged in agriculture. 71 percent of the male and 96 per cent of the female workers are engaged as cultivators or agricultural labourers. In the early years of industrialisation in the area, skilled workers were recruited from all over the country. Local people obtained employment solely as unskilled construction labour. Industrial expansion of later years and increase in the practice of getting work done through contractors, provided employment for the local people as low paid casual and contract workers.

On other fronts even this paltry' trickle do wn' is lacking. Power supply remains absent in most of the villages. And despite the large Rihand dam reservoir, the Govind Ballabh Pant Sagar, the district has abysmal irrigation facilities. For instance, Dudhi tehsil has merely 0.8 per cent of the cultivated land under irrigation. The district remains sparsely populated with a density of 158 persons per square kilometre compared to the state average of 472.5 persons. Scheduled Castes constitute 42.5

## **Doomed Villages**

Parasi village is situated on the south west boundary of Renusagar power division of Hindalco industries. The village shifted to its present location after its land was submerged by the Rihand reservoir and its residents were compensated in land. A decade later part of the land was bought over by the Renusagar power plant at a compensation of Rs. 125 per acre. It was soon discovered that the land at Parasi and its neighbourhood was rich in coal deposits. Nearly half of the village land was bought by the Northern Coalfields Ltd. But the actual takeover was not affected, owing to which many villagers still cultivate the land.

Following directions to prevent flyash pollution in the air, electrostatic precipitators were installed in the power plant chimneys during the early 1980s. The flyash thus collected was mixed with water and stored atop a small hillock adjoining Chhoti Parasi, a *tola* of Parasi village. With the passage of years, the size of the flyash pond continues to grow. It has more than doubled in the last 5 years alone. Water seeps out of this pond into the lands of Chhoti Parasi. The water level is barely a foot below the surface. During and after monsoons the lands are flooded. The swampy lands have become unsuitable for agriculture. The dampness also seeps into mud walls of houses, weakening and destroying them.

On the opposite end of the power plant is situated Garbanda village, sandwiched between the factory and the Rihand reservoir. Much of the land of the village was lost in the reservoir. Still more remains submerged for a large part of the year. But the woes of the inhabitants do not end here. The boundary wall of Hindalco deprives the village access to the outside world. A gate in the wall, manned by security guards, closes at 9 p.m. Even when it is open, villagers are harassed by repeated searches of their belongings, and some of their goods taken away by the guards. Dumping of waste coal on the village land is making some of the lands unusable. Annual cleaning of the six boilers at the power plant involves washing with acid, and the resulting waste acid is disposed off in the Rihand reservoir. For the villages such as Garbanda, apart from the serious health considerations, it also entails a loss in their fish catch.

Some kilometers further east, the National Thermal Power Corporation (NTPC) operates the Rihand Super Thermal power plant. For disposal of flyash, the plant plans to build another pond on the lands of Mitihini and Khairi villages. Since 1993, the villagers have been protesting against the takeover of their lands. Their demand for the right to participate in drawing up the rehabilitation package is being heard by the High Court at Allahabad since 1994.

On 22 and 23 January 1996, 60-70 men employed by the local contractors came to Mitihini armed with lathis. They attempted to kidnap an activist of the local organisation - the Gramin Kalyan Sangharsh Samiti. The SHO (Bijpur) refused to register the complaint.

On 7 April the SDM (Dudhi) issued notices against eleven activists of the GKSS under Sections 107 and 116 of the Cr.P.C. (good conduct bond to prevent breach of peace; magisterial inquiry to ascertain the truth). They were asked to furnish bonds of Rs. 10,000, which were then raised to Rs. 20,000, a sum that they were unable to pay. Since there were no specific charges against them, the order was quashed by the Allahabad High Court on 26 June 1996.

On June 27, 1996, about 100 policemen and women came to Mitihini village. They beat up villagers who were sitting on dharna to prevent the bulldozers from levelling their fields. 25 persons including children, were put in the lockup, and their fields were razed in the presence of the SDM, the Circle Officer, and many NTPC officials. All this happened just before the monsoons when the villagers had finished sowing.

per cent of the people, though locally many of them are referred to as adivasis i.e. Scheduled Tribes.

The people have sacrificed a lot in the process of industrialisation. And continue to do so. Villages were uprooted in the setting up of industry, damming of the river, and opening of the coal mines. They were relocated on inferior lands with virtually no compensation or other help. The construction of industrial waste dumps continue to displace villages. The waste seeps into the soil and water, threatening agriculture. And entire villages are physically trapped between the mega projects restricting their right to way. (see box: *Doomed Villages*)

### ***Subsidies: Past and Present***

To attract private capital in this backward area the government offered huge subsidies and concessions. Being a pioneer in the production of an important metal Hindalco Industries was a major beneficiary. The aluminium plant was built by Kaiser and Company of USA at a total cost of Rs. 27.6 crore. All other inputs were provided at highly subsidized rates. Hindalco was the largest allottee of forest land in the private sector in Dudhi tehsil. Between 1962 and 1972, 1093.35 acres of forest land was permanently transferred to the company at a nominal rate of Rs. 40 per acre. Electricity, the major input in aluminium production, was provided at a rate of 2 paise per unit going up to 9 paise till a captive power plant was set up by the Birlas at Renusagar. In 1966, 94.72 acres of forest land was leased out to the Renusagar Power Company Ltd, now called Renusagar power division of Hindalco, for setting up high tension cables. In 1972, an additional 15.82 acres were given on lease for the same purpose. During the 1980s, Hindalco received leases on 51.67 acres for workers' colonies. A total of 167.93 acres of forest land has been given on lease from 1966 to date. Mining rights were given on long term lease. The captive mines at Lohardaga in Bihar and Satna in Madhya Pradesh today form a part of Minerals and Minerals Ltd., a subsidiary of Hindalco Industries.

These subsidies and concessions still con-

tinue, both in explicit and in covert ways. While a proposal for leasing out 128.80 acres to Hindalco for high tension cables from Renusagar to Renukoot is under consideration by the forest department, the company has encroached upon 66.77 acres of forest land. Cases regarding this have been dragging in court for over a decade. The forest department is now considering proposals for regularisation of the encroachments. On 31 March 1995, Hindalco received a subsidised loan amounting to Rs. 50.64 lakh from the UP government under the Housing Scheme for industrial workers. In addition, an invisible source of subsidy is the non-payment of charges on water and electricity, cess on bauxite and coal, excise duty on finished products and taxes on use of forest land, together amounting to over Rs. 52.38 crore. (see box: *Invisible Subsidies*)

### ***The Success Story***

Hindalco Industries, according to data-for the year 1994-95, has a total capital of Rs. 2,628 crore, of which fixed assets alone value Rs. 1118 crore. Another Rs. 210 crore of capital work is in progress. Today, the company is the single largest producer of aluminium in the country accounting for one third of India's total production of the metal. The company has witnessed an unprecedented increase in the last year -18.5 per cent in gross sales and 48.7 per cent in gross profits. In 1994-95, the company earned a gross revenue of Rs. 1277.2 crore and an after tax profit of Rs. 291.9 crore. The total payment to the government in the form of excise duty and other taxes amounted to Rs. 389 crore.

In the year 1994-95 Hindalco planned to invest a total of Rs. 1750 crore on expansion. The company is carrying out technological improvements, particularly in the production of alumina (processed bauxite which is electrolysed to produce aluminium), to increase alumina production from 3.5 lakh tonnes to 4.5 lakh tonnes per year. The report envisages that this would ensure self sufficiency in alumina production. The Annual Report for 1994-95 states that Hindalco is setting up an aluminium foil plant at Silvassa in Gujarat with an initial capacity of 5,000 tonnes.

Invisible Subsidies				
S.No	Bills Outstanding	Claimant	Amount (Rs.)	Status
1	Revision of electricity rates, 1976-80	UPSEB	50,099,000	Pending
2	Electricity duty, 1970-75	UPSEB	13,012,000	Pending
3	Interest on electricity duty, 1970-88	U.P. Govt.	not disclosed	Stayed by Allahabad H.C.
4	Excise duty on power generated at Renuagar, upto 1984	Central Govt.	145,937,000	Quashed by H.C. in 1993; appeal by government pending.
5	Interest on past dues of the Aluminium Regulation Account, upto 1987	Central Govt.	29,037,000	Pending
6	Use of forest land for bauxite mining. Tax under Bihar Restoration and Improvement of Degraded Forest Land Taxation Act, 1992	Bihar Govt.	106.250,000	Patna H.C. held the Act unconstitutional. Appeal by Bihar government pending in S.C.
7	Cess on bauxite ore	Bihar Govt.	44,362,000	Stay by HC; case pending
8	Cess on bauxite ore and coal	M.P. Govt.	75,394,000	Stay by HC; case pending
9	Charges on water from Rihand reservoir	UPSEB	35,662,000	Case pending
10	Additional excise duty due to wrong classification of product, upto 1994	Central Excise	17,399,000	Stayed by Central Excise Tribunal; appeal pending

Hailed as a highly cost effective aluminium plant within the country and outside, Hindalco generates power at a cost of 60 paise per unit as compared to Rs. 2.60 charged by the UP State Electricity Board (UPSEB). Of the total revenue, 44 per cent goes towards raw material and manufacturing costs, 26 per cent as profits, 13 per cent as taxes, 12 per cent towards selling costs, interest payments and depreciation, and 5 per cent towards payment to employees. In absolute terms, the payment to employees amounts to Rs. 59.32 crore of which salaries, wages, bonus, ex-gratia, pension and gratuity totals Rs. 43.19 crore.

### ***Social Costs***

The industrial township of Hindalco dominates Renukoot town. But apart from the official workers' colonies of Hindalco, Kanoria Chemicals and Hi-Tech Carbon, slum colonies on both sides of the main road house a large number of workers. Others who run grocery shops, automobile and truck repair workshops and small restaurants also reside in unauthorised settlements in the town.

Of the four secondary schools, one is run by a Christian mission, another by Kanoria Chemicals Ltd., and two are run by Hindalco. In addition,

Hindalco runs two Montessori schools and one primary school. The sole hospital in Renukoot belongs to Hindalco. Located on the premises of the staff colony, this hundred-bed hospital caters primarily to Hindalco employees. The other medical facilities available are a few private doctors in Renukoot market. Renukoot town has no street lights despite the fact that it is situated in the 'power capital' of the north.

The deplorable state of civic amenities in Renukoot can be attributed to the long absence of any civic administrative body. In November 1995, the first elections to the post of chairman of the Municipal Corporation were held. A candidate of the Communist Party of India won by a margin of 4,000 votes. The company immediately filed a writ petition refusing to pay house and land tax on the grounds that other than the township, a large number of open spaces belong to Hindalco. As of now the stay obtained from the court is in operation.

Prior to the elections, the civic administration was in the hands of Hindalco. Today, in spite of the elected body, Hindalco continues to control the civic administration. The corporation is severely hampered by the fact that it has no land rights in Renukoot. All land is either owned by the forest department, the railways, the Birlas or the Kanoria group. The Municipal Corporation has no source of revenue other than levying road tax. It does not have any space to carry out construction. Nor can it regularise or resettle the slum colonies as the land already belongs to other parties. Renukoot is, thus, largely dependent on the Birlas for civic facilities. The unofficial takeover of civic administration, coupled with Hindalco's virtual monopoly over the town's resources and economy has ensured that the company exercises total control over the life of Renukoot town.

Hindalco provides housing facilities to 58 per cent of its employees. Just outside the township there are two large squatters' colonies, one next to

the Hindalco workers' colony, and the other between the main road and the ash dyke. The inhabitants of these jhuggi colonies are contract workers as well as temporary workers of Hindalco. They comprise a large number of migrant labour from neighbouring districts and oustees from the Rihand Hydel Project, as also those who were evicted when the Birlas took over *gramsabha* land from the nearby villages such as the *kashtakari* land in Jokahi village taken over by Hi-Tech Carbon. No facilities are provided by Hindalco in these jhuggi colonies. Thus, Chacha Lal Bahadur Shastri Colony bordering plant No. 1 has only three wells for a population of approximately 1,600-1,800 persons. The wells also tend to dry up in summer. Neither of the jhuggi clusters has electricity, or toilet facilities. The ineffectiveness of the Municipal Corporation has ensured that these colonies receive no benefits nor are they likely to be regularised.

As an aluminium plant, Hindalco comes under the regulations of hazardous industries listed in the first schedule of the Factories Act. The two boilers at Renukoot discharge 320 tonnes of flyash daily. However the ash dyke, the site of the recent accident, is also the dumping space for the corrosive red mud, a caustic waste produced in the washing of bauxite. In fact, Hindalco had been dumping the red mud also on forest land behind Plant No. 1 which was finally stopped in 1989. In 1994, the U.P. Pollution Control Board directed Hindalco to install complete air pollution control devices at the earliest as the Singrauli area has been identified as one of the 19 environmentally critical areas of the country. On the day of the accident, 22,500 tonnes of ash sludge swept through the valley. To date, not only has the Hindalco management refused to take responsibility for the accident, the district administration has also not initiated any proceeding to make the company pay compensation either for the loss of life and property, or for the damage to the land and water. Moreover, the team observed that the route over the dam was once again in use.



## Hindalco and Workers

II.

"Industrial relations continue to be peaceful and this has contributed immensely to growth and development of your company." Thus concludes the Annual Report 1994-95 of Hindalco Industries Ltd. on the aspect of labour relations. The relationship between peaceful industrial relations and the growth and development of the company could not have been more explicitly stated. This relationship, however, is one sided. For, apart from the above-quoted statement, the Annual Report is silent about the workers. The Companies Act too does not require the company to publish particulars of its employees except for those receiving over Rs. 25,000 per month. Thus there is no mention of the total workforce, the workers' grade and wage structure, and their living conditions in the Annual Report.

The management was reluctant to provide these details to the fact finding team. The Divisional Labour Commissioner (DLC) whose office is located at Pipri, some three kilometres from the Renukoot factory and who is the primary authority to intervene into and settle labour disputes, also denied having any records, even of the total workforce. The details about workers at Hindalco Industries have therefore been estimated through interviews with workers and union activists both at Renuagar and at Renukoot.

The company is the single largest employer of labour in the organised industry in Sonbhadra district. It has approximately 22,000 workers-16,000 at Renukoot and 6,000 at Renuagar. In addition, the company employs a staff of 2,000 in the non-management cadre and 1,000 in the management cadre.

The different categories under which workers can be employed are stipulated in the Standing Orders of the company. These Standing Orders are made obligatory by Section 7 of the Industrial Employment (Standing Orders) Act, 1946. Five classes of workers are described in Section 5 of the Standing Orders: permanent, probationary, substitute, temporary and trainee. Permanent workers

constitute those appointed on a permanent basis and having satisfactorily completed six months on probation. Probationary workers are those who have been appointed against a permanent vacancy and have not completed six months or else their probation has been extended for a period not exceeding three months, through a written communication specifying reasons. Substitute (or badli) workers are those working in place of permanent or probationary workers who are temporarily absent. Temporary workers are those who are engaged in work of a temporary nature or as additional workers on a permanent nature job. In any case the length of service is always shorter than six months. Trainee workers are those who are undergoing training either on wage or on stipend.

### *Contract Workers*

At Hindalco Industries 13,000 of the 22,000 workers do not fall under any of these categories. These workers are employed and paid by contractors. Around 125 contractors are associated with the Renukoot factory alone, each employing between 30 to 200 workers. These contractors obtain contracts from Hindalco either on piece rate for construction, digging, etc., or for operating a permanent facility or a regular service at the factory for a specified length of time. Still others are simply labour suppliers who obtain a certain percentage of the worker's wage as commission.

Approximately 6,000 of these contract workers are employed in construction work or during survey and shutdowns. In this way they technically perform work of a temporary nature. However, in a company the size of Hindalco Industries, most of this job too is of a permanent nature. For, the construction or repair of a particular building may be a temporary job, but the construction and repair of buildings, houses and factory, levelling of land, construction of waste disposal sites is a job which employs workers throughout the year. For example, the Renuagar power plant has six boilers and five

turbines. By rotation one boiler is shut down for maintenance. Hence an apparently temporary job of cleaning and repair, in fact, provides continuous work all through the year.

Most of these 6,000 workers reside in villages around Renukoot. Between 7 and 7.30 a.m. daily, a steady stream of trucks and dumpers loaded with workers can be seen arriving at the factory gate. Women workers form a significant part of these workers. In contrast, women workers are wholly absent among other worker categories. Not being employees of Hindalco, these contract workers are denied all benefits such as provident fund, gratuity, medical facilities and bonus even though they work continuously for years. They are even denied the facility of the workers canteen in the factory premises and women workers are denied maternity benefits. Their daily wage ranges from Rs. 38 to 42, women workers getting even lower payment than this. But their actual earnings are still lower — contractors charge between Rs. 6 to 8 per day as conveyance charges for transporting the workers from and to their villages. The stipulated minimum daily wage currently stands at Rs. 52.

A second category of contract workers comprises 7,000 workers employed in jobs that are inherently of a permanent nature but are made to appear temporary by giving the job out on lease to contractors for a stipulated period of time. The work involves weighing, loading and unloading of finished products from the factory to the godown as well as performing the job of helpers to the workers employed by the company. Running of the Aerial Ropeway No. 2, which transports coal from the mine to the Renusagar power plant, has been given out on contract. Approximately 200 workers are employed by a contractor for this work. Similarly at Renukoot, 300 workers are employed for the sweeping and cleaning of the residential colony and the factory. These are also employed through contractors. This category of contract workers are better off than the first category to the extent that they obtain the minimum wage. These workers are recent migrants from rural areas of Sonbhadra, Mirzapur and Garhwa districts and reside in slums along the

railway line and the boundary wall of Hindalco Industries in Renukoot town.

### *Company Employees*

In this fashion barely 41 per cent of the total workers employed at Hindalco are covered under the Standing Orders. Of these 9,000 workers, 3,000 are not employed on permanent vacancies but as substitutes (badlis) for permanent workers on leave. Through frequent breaks in service and subsequent reemployment, these workers are denied many of the facilities at the company, and also the protection and guarantees provided under provisions of the laws relating to labour such as gratuity and provident fund. The large proportion of such workers (one half of the permanent workers) is itself a pointer to the erroneous description of these workers as substitutes. Such a description could be true only if it would be shown that on an average every permanent worker absented from work every alternate day.

**BADLI WORKERS:** There are approximately 2,500 badli workers at Renukoot and 500 such workers employed at Renusagar. They are appointed directly by the company and are paid the lowest wage due to a permanent worker and are denied annual increments. Informally, badji workers too have been classified into two groups: temporary badli and permanent badli. The temporary badli workers constitute those actually substituting permanent workers on leave. They are assured 15 days of work per month. But even when work is available, these workers are given a break in their service before 6 months. Care is also taken to prevent their employment for 240 days in a year, for in that case they would become eligible for benefits such as provident fund, gratuity and bonus. Those permanently employed as badli workers perform the same task as permanent workers but are denied increments, paid leave and housing facilities. Keeping workers on badli also comes in handy to cut down gratuity payments. Gratuity is available to workers who have continuously worked for a minimum of 240 days per year for at least five years. Badli workers can be denied any such continuous five year period

<b>Grade and Wage Structure at Hindaico</b>			
<b>Worker</b>	<b>Number</b>	<b>Wage</b>	<b>Benefits</b>
Permanent	5500 to 6000	U-Man: Rs. 997 Grade C: Rs. 1132 Grade B: Rs. 1267 Grade A: Rs. 1415 Special Grade: Rs. 1625 Grade Charge: Rs. 1835 Annual increments for the above grades are Rs. 24, 29, 40, 48, 60 and 75 respectively. In addition to these are: (a) D.A.: Rs. 2691.70 (b) Coveyance: Rs. 4 per day (c) Night duty: Rs. 3 per duty (d) Washing: Rs. 17 (e) For complete attendance: Rs. 50	Provident Fund Bonus of Rs. 110 per month since 1986. Medical allowance of upto 45 days wages per year. 58% of them are housed in company quarters. Gratuity paid according to the scheme: (a) below 5 years service: no gratuity (b) 5-10 years: 18 days wages per year (c) 10-15 years: 21 days wages per year (d) 15-20 years: 26 days wages per year
Badli as substitute to permanent workers. (a) Regular i.e. getting continuous' work	2500 to 3000 (include both types of badli workers)	Same as U-man No increments	No Provident Fund. Bonus of Rs. 110 per month from 1986. Medical allowance of upto 45 days wages per year No housing facilities. Gratuity according to scheme given
Badli (b) Temporary assured work for at least 15 days a month. Given break in service after 3-5 months	included in above	Minimum wage of Rs. 52 per day	No Provident Fund. No Bonus. No Medical allowance. No housing facilities. No gratuity
Contract (a) Supply i.e. involved in permanent nature work	7000	Minimum wage of Rs. 52 per day	No Provident Fund. No Bonus. No Medical allowance. No housing facilities. No gratuity
Contract (a) Civil i.e. involved in construction work or work of temporary nature	6000	Approximately Rs. 42 Those residing in villages pay Rs 8/- for transport	No Provident Fund or gratuity No bonus

by giving less work in one particular year. The rate of gratuity payment increases with the number of years of service, from 18 days wages per year for a 5-10 year service, 21 days for a 10-15 year service, and 26 days for above 15 years of service. Thus badli workers who have worked for over a decade are dismissed after 14 years and reemployed as permanent workers. With the new employment, gratuity payments start afresh.

**PERMANENT WORKERS:** Apart from badli workers whose services are regularized, workers are also directly recruited as permanent workers. But here the workers have to first go through the stages as apprentice and trainee. The normal length of this tenure is five years - three years as apprentice and two years as a trainee. During this period the worker gets a meager stipend of Rs. 500 per month. The team found this to be a regular feature at Renuagar. This works out to a daily payment of Rs. 19 and 23 paise, well below the stipulated minimum wage.

Once inducted into the company as a permanent worker, the grade provided is that of a Utility Man (or U-Man as it is called). Though the worker has gone through a five year training, or else over a decade as a badli worker, he is not provided with a description of the job that he is supposed to perform. The worker can be shunted from one department to another as the term U-Man implies. Many workers remain in this grade continuously for over a decade. Higher grades, unlike the U-Man, specify the job to be performed by each worker, but no job distinction actually exists among the different higher grades. Hence also the lack of any criterion to determine when a worker is eligible for a higher grade. The movement in the grades therefore functions purely according to the whims of the management. To restrict the possibility of much rise, many of the departments are not provided with any post higher than grade C or B.

### *Saving On The Wage Bill*

Withholding the change in the grade of a single worker for merely a year involves a saving of at least Rs. 135 per month or Rs. 1620. If the same

is done for all workers, the reduction on the wage bill is Rs. 89.1 lakh. This increases by the same amount for each additional year that the higher grade is delayed.

The payment of a stipend instead of a wage, even the minimum wage, entails a saving of Rs. 10,224 per trainee worker per year. Since the team was unable to find out the number of trainee workers it is not possible to calculate the total amount saved.

The juggling with the length of service of badli workers to save on gratuity payments described above entails a loss of 5 days' wages per year per worker for the entire length of service. The annual loss per worker or the annual saving on each worker's wage bill for Hindalco is Rs. 709 at the present wage rates. This would work out to Rs. 21.27 lakh per year. The company saves approximately Rs. 2,552 per worker per year if it denies a worker continuous service for five years.

The biggest saving however comes from the single largest category of workers - contract workers. Those doing jobs of a permanent nature are liable to be made permanent, according to the Standing Orders. Since contract workers are not the immediate employees of Hindalco (though Hindalco is the principal employer), they do not get covered under the Standing Orders. Regularisation of the services of the contract labourers and payment of wages of the lowest grade of U-Man to them would mean an extra payment of Rs. 2336.70 per worker per month. Annually, for all contract workers in permanent nature jobs, the amount saved by the company through the contract arrangement is Rs. 19.63 crores. This alone involves a 45 per cent increase in the payment to employees account if regularisation of contract workers were ordered.

### *Workload*

Employment of workers in different categories for the same or similar jobs and an arbitrary grade structure are however not the only means to secure 'cost efficiency' and high profits. Increasing the workload per worker is another option that has

not been left unutilised. In Renuagar the increase in workload has started in the last three years. Some examples would illustrate how this is achieved. In the boiler area, one worker operated the upper drum while another worker managed the operating floor, approximately 40 feet below. Three years ago one post was abolished. The same worker now has to work at both the levels, running up and down innumerable times through the eight working hours. Similar is the case at the coal scale where coal is weighed before being fed into the crushers. One worker to one such scale was the norm. But two years ago each worker was given two scales to manage.

Any refusal to agree to the extra work is disastrous for the worker. At Renukoot, workload has seen the most massive increase in the smelting area, called pot room. Here labour has to be performed in extremely difficult conditions—those of excessive heat and fluorine gas discharge. The molten mixture in the pot tends to solidify on the surface and the workers are required to break the lumps with a metal pole. They are also required to ensure the consistency of the solution and periodically draining out the molten aluminium. In the early 1980s, a team of two workers managed 12 pots but the workload has been increased steadily to managing 32 pots, according to several workers. Protesting workers have been browbeaten to tender their resignations. Others have been dismissed, (see box: *A Lonely Battle*)

To ensure that the workers perform the amount of work given to them, where possible quotas of work have been introduced. Unable to complete their work in the stipulated eight hours, workers are forced to work overtime without any extra wages. Delay in completing the assigned work also carries with it the threat of termination. On occasion, it has also been implemented. Panna Lal, a worker at Renukoot, was dismissed around a decade ago for a 15 minute delay in fixing a bolt that had broken during the operation of the factory. These were the officially stated grounds for dismissal on which the High Court had upheld the action taken by the

management.

What emerges from the above findings is that the exceptionally high profits arise from the non payment of minimum wages and other benefits to a large majority of the workers, and through maintaining an arbitrary structure of worker categories. On the other side, the large profits made by the company find no reflection in the improvement in working and living conditions of labour. The basis for "peaceful" industrial relations is therefore not to be found in the labour conditions maintained at Hindalco. The arbitrary worker categories and the threat of dismissal instead provide the basis for the tenuous and illusory peace. For, the industrial peace referred to by Hindalco Industries merely expresses the current absence of struggles by workers. At present the attack by the management on the rights of the workers is probably at its peak.

### ***Legislations***

These rights are contained in approximately a hundred central legislations and twice that number of laws enacted by state governments. Of them the major laws that cover the conditions of employment of worker and stipulates benefits for them, singularly do not cover the workers employed on a casual basis (such as badli workers) as well as contract labour. Being a basic industry employing a large number of workers, aluminium production is covered under most of these laws. The attack on workers' rights thus violates the substance of most of these laws.

The Minimum Wages Act, 1948 provides for fixation of time rate, piece rate and over-time rates of wages for the industries specified in the schedule to the Act. The Act also applies to contract workers employed in these industries. But a significant number of contract workers at Hindalco are denied these wages. The practice of making quotas of work and through this, making the workers labour beyond the stipulated eight hours, subvert the intention of this legislation.

The Equal Remuneration Act, 1976 provides for equal remuneration for men and women. A 1982 Supreme Court Judgment enlarged the scope of the Act to rule out discrimination in remuneration among employees performing the same kind of work. But women contract workers at Hindalco receive lower wages than their male counterparts. Badli workers engaged in the same work as permanent workers

Receive lower wages. So is the case with permanent workers employed in different grades which have no relation to either their seniority or the nature of job performed.

The Employees State Insurance Act, 1948 and

## A Lonely Battle

Sivadhar Mallah was one of the many who came to Renukoot in search of employment and a better life. Hailing from Hunar village in Mirzapur district, Sivadhar joined Hindalco in 1975 as a trainee pot room worker at a stipend of Rs 375 per month. In 1976 he was taken on as a regular badli worker in the pot room itself. In 1981 just as he was about to complete 5 years of service, he was made permanent ensuring that he did not get the Gratuity benefits. By 1983, he was able to rise to the position of junior pot-man.

Working in the pot room meant performing physically grueling work with jack-hammers, crowbars and shovels, continuous exposure to molten alumina at over 900 degree and fluorine gas emissions with only a thin white cloth as a mask for protection, made things worse. As the workload increased, it often took 10-12 hours to finish the work. These extremely taxing work conditions took their toll on Sivadhar. Today at 43, Sivadhar looks much older than his age.

In 1994, after 19 years of working in the pot-room, he came out protesting against the increased workload. On 6 August he was forced to tender his resignation by the management. Ironically enough the reason stated for the resignation was his incapacity to meet the demands of work.

Sivadhar reported his wrongful termination at the local thana. He was turned down by the thana people refusing to register an FIR. It was only with the help of the union activists that an FIR was finally lodged on 27 August, three weeks later. He was reinstated by the company after 2 months in October.

The matter did not end there; much more was in the offing. About the time he was nearing 15 years of service entitling him to higher Gratuity, his services were terminated on the basis of continuous absence from work for 24 days. He was accused of not responding to a charge sheet to this effect, as well as a letter asking him to appear before an enquiry committee. An advertisement to this effect was also published in a Benaras based newspaper called *Gandiv*. Predictably enough, neither the charge sheet nor the letter reached Sivadhar. The said newspaper has no circulation in Renukoot. He sent letters of protest to the owner, Aditya Birla and the DM. When no action was forthcoming, on 29 January 1996 Sivadhar went on hunger strike and issued a notice to self-immolate on 31 January, copies of this notice were sent to the management, the DM, the police and the PM. He was arrested and sent to Mirzapur jail on 31 January. Later he was released on bail.

At present there are three cases pending against Sivadhar. The self-immolation case is being tried at Robertsganj, while the termination case is still on at Allahabad. In addition the company has initiated proceedings against him for illegal occupancy of company accommodation, also being tried at Allahabad. Although the court is yet to give its decision, the management has terminated his services.

Sivadhar still has 15 years of service left. The company has tried to arrive at an out of court settlement offering Rs 2 lakh which he has refused. With no source of income and a family to support, today he spends his time between the courts and the union office.

Sivadhar's case is not the only one of its kind. Nandlal Ray, a pot room worker terminated in 1989 on charges of misconduct, and Sarvchand Pandey, a regular badli worker, forced to resign in 1991 and finally terminated in 1993 are at least two other similar cases. Now active with the HPMU these workers represent a rising anger amongst pot room workers which, in fact, cuts across union affiliations. Three workers have already been terminated this year for protesting against the increasing workload.

the Maternity Benefits Act, 1961 together provide maternity benefits to women workers, irrespective of their category or the industry in which they are employed. At Hindalco women are employed only by contractors. And they are denied this right as a rule.

Given this vulnerability of contract workers in the implementation of even the stipulated rights, the Contract Labour (Regulation and Abolition) Act was promulgated, in 1990. The objective of the act was to regulate employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The contractors employing 20 or more workers are required to register and obtain a licence from the DLC office. The rights provided to the worker include payment of wages in the presence of a representative of the principal employer, provisions for canteens to supply cheap food if more than a hundred workers are employed, provisions for rest rooms and comfortable night halts, latrines, urinals, washing places and first aid facilities. Where the contractor fails to provide these facilities, the principal employer must provide them. At Hindalco, not a single contractor provides these facilities. For the daily migrants from rural areas, the provision for payment in the presence of a Hindalco representative is either regularly flouted or else his presence makes no difference to the non payment of minimum wages. Leave aside rest rooms and night halts, even the existing provision of a workers' canteen is denied to contract workers. Many of these right are denied "legally". Though there are 13,000 contract workers, some of the contractors employ less than 20 workers, thus escaping the provisions of the Act. Most other contractors employ less than 100 workers. This practice is further aided by a single contractor floating more than one contractor company. Penalties exist for such violations. But the law rules that courts cannot take cognizance of these violations except on a complaint made by the factory inspector, the district magistrate, who did not even initiate rescue operations after the accident at the ash dyke.

Other laws such as the Employees Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972 and the Payment of Bonus Act, 1965 also discriminate against both casual and contract workers. These laws require for their applicability that workers have laboured for 180 or 240 days in the year.

Where laws are applicable, enforcement is lacking. Labour offices are generally understaffed. The DLC office at Pipri, for example, covers both the districts of Mirzapur and Sonbhadra, but the entire staff consists of one DLC, two Assistant Labour Commissioners, two Labour Enforcement Officers, 11 Class-III employees and 10 Class-IV employees. They possess no vehicle. Usually these officers are susceptible to pressures from employers. This was suggested by many workers and unions at Hindalco. Cases of 218 workers who were denied permanent status, 16 workers who were denied promotion, two for non payment of housing allowance and one relating to non payment of wages are languishing in the High Court and Labour Court for periods ranging from three to eight years. The absence of cases by contract workers merely expresses their inability to move the courts. Abolition of the system of contract labour is possible only through the recommendations of the Advisory Board after studying the problem in a particular industry. The DLC informed the team that the Advisory Board, located at Lucknow, is aware of the extent of the practice of contract labour in Hindalco Industries.

It is thus evident that Hindalco Industries not only frequently violates the Standing Orders but also a large number of labour laws. The laws themselves provide the company ample opportunity to deny rights to a large section of the workforce. The record of the authorities responsible for the implementation of these laws is abysmal. More so, the laws relating to the single largest category of workers at Hindalco do not allow the workers or their organisations the right to approach the courts.

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### III. Accidents: A Logical Outcome

In November 1974, Gopal Singh, a worker at the pot room felt dizzy while working on the molten mixture apparently owing to fumes emanating from the smelting pot. Losing his balance, he slipped into the pot. His body was immediately burnt and decomposed. Workers who rushed to the site of the accident were only able to retrieve a portion of the torso. Senior officers who were called, refused to agree that the retrieved part belonged to a human body. Enraged, workers thoroughly beat up one officer. 32 workers were suspended and later their services were terminated in 1977.

In November 1995, a caustic soda tank burst in the plant. Three workers were immediately killed and another three died later in hospital from severe burns. Four workers were blinded and one received minor injuries. The families of those killed received compensation from the office of the Divisional Labour Commissioner (DLC). None of those injured got any compensation.

From the information received at the DLC office and through interviews with workers, the team found an alarming rate of fatal accidents at Hindalco. Nine fatal accidents have occurred at the Renukoot factory over the last two years in which 17 people were killed (See Table: *Fatal Accidents*). The list provided by the DLC covers only six of these accidents. The DLC office keeps records of only those accidents in which compensation was legally awarded. A glance at the status of the six workers whose deaths were not compensated for, reveals that five of them were contract workers. And, of the nine contract workers killed, compensation was awarded for only four deaths. On the other hand eight company employees were killed of which seven were legally awarded compensation. The data presented, though not extensive, suggests a strong association between the status as contract worker and the non awarding of legally stipulated compensation.

It could have been possible to substantiate this

relationship by using data on accidents that did not result in death. According to Hindalco officials, the number of non-fatal accidents far exceeds the number of fatal accidents. Yet neither the DLC office, nor the management, nor even the trade unions possess anything close to a comprehensive list of such accidents. According to trade union activists, the compensation amounts are generally settled informally in the case of non fatal accidents. The fact that the DLC office records only three such accidents in which three people were injured, and the management's claim that non fatal accidents are a more common occurrence, provides credence to the assertion of the trade union activists. The team was also informed that most contract workers are denied any compensation whatsoever in case of non-fatal accidents.

Compensation for accidents is legally governed by the Workmen's Compensation Act. This legislation is different from most other labour laws since it does not discriminate between workers, whether of different industries, different categories or performing different kinds of labour. But the Act requires, as a first step, that worker lodges a written complaint in the accident register kept at the workplace. For all non-permanent workers, whether badli, casual or contract, registering of a complaint also entails losing their job. Verbal complaints are made to the overseers or contractors and informal settlements are done as a rule. For contract workers surviving on daily wages, the immediate informal settlement is also more favourable than litigation in the DLC court which may take over a year. In some cases even permanent workers fear that registering an accident complaint could lead to their being declared unfit for work and dismissed. Thus the categorisation of workers through which permanence is denied to large sections of the workforce also entails the denial of recourse to law in the case of accidents. This effectively frustrates the non discrimination inherent in this legislation. And this goes a long way to help the management save on



Fatal Accidents					
	Date	Nature of Accident	No..Killed	Status of Worker	Compensation
1	22/5/94	Run over by car driven without licence	1	Permanent (Operator)	Rs. 58,480
2	10/10/94	Collapse of the Silo tank	4	Casual (Construction)	None
3	1 6/3/95	Electrocution	1	Supply Worker	Rs. 70,216
4	22/5/95	At Extrusion Plant	1	Permanent (Operator)	None
5	31/5/95	Truck accident inside the factory	1	Permanent	Rs. 54,224
6	1 1 /8/95	Fell from a high platform	1	Permanent (U-man)	Rs. 65,228 (Not yet paid)
7	20/1 1/96	Bursting of the caustic tank	6	4 Permanent, 2 Casual	Rs. 2,15,280 Rs. 1,94,640 Rs. 1,99,400 Rs. 1,31,950 Rs. 1,75,540 Rs. 1,92,140
8	1 9/2/96	Electrocution	1	Supply Worker	None
9	31/3/96	Fell from a crane	1	Supply worker	Rs. 65,228

compensation to accident victims.

The Hindalco management however shirks all responsibility for accidents on the plea that the company provides the prescribed safety equipment like gloves and safety belts. Accidents are explained in terms of a low level of safety consciousness among workers. But the team found it to be quite the opposite in most cases. Developing of cracks and seepage in the ash dam was brought to the notice of the Hindalco authorities. But leave alone repair, even the basic step of preventing workers from using that route to the factory was not undertaken. In the case of collapse of the silo tank and bursting of the caustic soda tank which resulted in a total of 10 deaths, the failure was solely of maintenance.

The management argues that accidents are endemic to any large scale industrial process of production and expansion. But the conditions of work described in the previous chapter tell a different story. Areas like plant maintenance, a permanent nature job are frequently given out on contract. The use of unskilled or semi-skilled labour in such jobs," and increasing the workload beyond a prescribed eight hours per day in high pressure situations like the pot room, all contribute to the risk and possibility of accidents. Renuagar power plant is continuously run at beyond its optimal capacity, putting a constant pressure on all the workers as well as on the machinery. Each of the 75 mega watt turbines are operated to produce 3 to 5 mega watts of extra power. The exceedingly low cost of power produced at Renuagar and the consequent low cost

of the aluminium produced at Renukoot are therefore not difficult to explain. Nor is the high cost in workers' lives and safety as the logical outcome of making the Renukoot aluminium plant one of the most productive and cost efficient in the country.

Aluminium production is considered to be a high-risk industry. It is listed as a "hazardous process" under Schedule 1 of the Factories Act. As such, the aluminium industry is legally bound to take "special care" in the production and disposal of products and waste. Safety measures over and above the duties of every occupier are prescribed for the owners of all such factories in Chapter 4. Section 41 of the Act. Under S. 41(B) of the Act, factory owners are responsible for "the compulsory disclosure of information" regarding health hazards, disposal of wastes, and adequate disaster control measures not only to the workers of the factory and the local administrative authority but also to the general public living in the vicinity. In the case of Hindalco Plant No. 1, this public is no different from the workers employed in the factory. Hindalco was thus responsible for both negligence and violation. The people, neither in their capacity as residents nor as workers have any information regarding waste disposal and possible hazards in using the dam route.

Section 41(c) also assigns certain specific responsibilities in relation to hazardous processes — none of which are observed by the Hindalco management. The company is required to maintain accurate health records of workers exposed to hazardous and toxic substances. A medical examination of workers before being assigned such a job, to be repeated at least once a year, is mandatory. In addition, only persons possessing qualification, experience and competence in handling such substances can be entrusted with the job. The employment of unskilled and semi skilled badli and contract workers in hazardous areas such as the pot room is in direct contravention of this provision.

Another serious violation which makes the Hindalco management directly culpable in the recent accident concerns the workers' right "to warn about imminent danger". The management not only

failed to undertake any "immediate remedial action" despite regular warnings from workers, it also failed to inform the nearest Factory Inspector.

Contravention of sections 41 (b), (c), and (h), each of which Hindalco is guilty of, is punishable with imprisonment upto 7 years *and* a fine upto Rs. 2 lakh, with an additional fine upto Rs. 5,000 for each day of continued violation (S. 96A). This penalty is far greater than the general penalty for violations i.e. imprisonment upto 2 years or a fine upto Rs. 1 lakh with Rs. 1,000 for each day of continuing violation (S. 92). Hindalco has, to date, not been brought to book for any of these violations.

Enhanced fines, central government enquiries and equal participation of workers on Safety Committees are all measures to ensure that companies like Hindalco do not get away with impunity. However, existing weaknesses within these laws make accountability to workers only a theoretical possibility. Safety Committees are formed by the management of the company. No specific guidelines for their formation are given either in the Factories Act or the U.P. Factories Rules. In factories like Hindalco this means that workers' representatives are not those having the support of the maximum number of workers but rather members of the recognised unions who claim to be satisfied by welfare and safety measures in the factories. In Renuagar, safety committees are more effective in taking up issues of compensation and informal settlements because of the recent history of workers' struggles there (see box: *Renuagar Revisited*). However neither the trade unions in Renuagar or in Renukoot have the political strength to hold Hindalco responsible for regular violations under the Act. e.g. in employing workers without the requisite training (7a. 2c). The right of workers to warn about imminent danger has also to be routed to the Inspector through either the safety committee or the company officials, effectively seeing to it that all such warnings remain unheeded.

The Act, in fact, works against the interests of the workers insofar as it debars them from direct access to legal redressal. Under S.105 of the Act

"no court shall take cognizance of any offence under this Act, except on complaint by, or with previous sanction in writing of an Inspector." The Inspector is the District Magistrate. What this means in real terms is more than obvious in the ash dam accident. The DM is yet to visit the site of the accident. The only intervention by the DM has been

limited to ordering an SDM enquiry on 12 April, 48 hours after the accident.

In the face of the apathy of government agencies and the Hindalco management on the issue of workers' safety, the only hope of redressal workers have is through their struggles and their trade unions.

## **Renusagar Revisited**

### ***Renusagar 1990-91***

In the two months of December 1990 and January 1991, Renusagar Power Company Ltd. witnessed the termination of the services of General Secretary of the union and two other activists on the charges of assault, suspension notices being served to four activists, and FIRs being filed against 37 others. By May 1991, another 15 workers had been suspended and 18 chargesheeted for failure to return to duty. On 18 June 1991, the company was declared a public utility service and all strikes banned.

The immediate reason for this crack-down was the large-scale workers' agitation following the death of a casual worker on 13 December 1990. The management had attempted to conceal the accident by trying to dispose off the dead body and later refused to discuss the compensation amount with the union. It was only when the workers stopped power generation, that the management arrived at an agreement with the union in the presence of the DLC and the SDM. Soon after the agreement the management started issuing suspension and termination notices and filing criminal cases. These were the findings of a PUDR fact-finding team which visited Renusagar in the summer of 1991.

### ***Renusagar 1996***

Renusagar Power Company Ltd. has been amalgamated with Hindalco and is now known as Renusagar Power Division. The ban on strikes imposed in 1991 still continues. The termination case against R. Antony, General Secretary of the union, is pending in the Labour Court at Allahabad. Two other termination cases are pending at the Labour Court at Varanasi. In 1993, R. Antony was arrested under the U.P. Gangsters Act when he was involved in organising contract workers at Anpara Thermal Power Plant. This year he was evicted from the allotted house in the factory township.

There are also criminal cases pending against 14 of the 37 who were charged for causing damage to the factory, offices and closure of the factory. These cases are pending at the Munsif Court at Robertsganj.

Of the 19 suspended workers, 14 continue to remain suspended. The five other suspended workers arrived at a settlement with the company, took a lump sum payment and left. The management seems unwilling to take the suspended workers back.

A fall-out of the struggle in 1990-91 is that the management readily pays compensation to accident victims. Also, workers are conscious about recording accident complaints. But it has also meant the prevention of union activity within the factory. That union activists have not been reinstated has discouraged even permanent workers from participating in union activities lest they too get terminated.

## IV. Unorganised Workers in Organised Industry

Union activity started at Hindalco soon after the commissioning of the factory. The strikes in 1963 and in 1964 under the leadership of the Rashtriya Shramik Sangh (RSS), affiliated to the HMS, focused on demands relating to higher wages and payment of bonus. In 1966, faced with increased efforts by the union, the management resorted to a lockout. Approximately 300 workers were dismissed from a total workforce of 2,500. One of the union leaders, Madan Pandey was stabbed.

In January 1972, the Hindustan Pragatisheel Mazdoor Union (HPMU), affiliated to the AITUC was founded. Its inaugural meeting was disrupted by the management's goondas. The struggles over the next three years brought into focus the issues of regularisation of adhoc workers, increased workload at the boiler and pot room, and shortage of housing facilities. Fifty workers were dismissed in 1973, of which 13 were reinstated by the courts. In 1974 the staff went on strike following which Hindalco declared a lockout and dismissed 17 staff members. 165 workers were also dismissed, 25 of whom were later reinstated by the courts. In September that year another 125 workers were dismissed. Many tendered apologies and rejoined. 13 workers won their cases from the Labour Court and four from the Supreme Court. Still others accepted the final settlement and left.

In 1976, 26 workers were dismissed. None of them were ever reinstated. During the same time the HPMU organised a cultural programme to be performed by the Indian People's Theatre Association (IPTA) at the factory gate. Large number of workers had collected. With the intention of disrupting the show, a DSP entered the area followed by goondas. In the violence that followed the DSP was killed. 14 workers were charged with murder. Later 12 of them were awarded life imprisonment by the court. The HPMU was derecognised by the management. For the administration, the HPMU was akin to a criminal gang. With most of the union activists already dis-

-missed, organised activity was extremely difficult. By the end of the 1970s effective struggles by the union came to a halt.

### *Workers and Unions*

Through the 1980s, Hindalco witnessed a recurring pattern of dismissal of workers involved in union activity. Termination of workers participating in strikes and struggles, especially of activists leading these struggles has over the years served as the single most effective method employed by Hindalco to contain and crush trade unions. The most common official reasons for termination have been the refusal to perform a particular task, absence from work, and misconduct. In 1985, Panna Lal, a fitter, was dismissed. The stated reason was that he was late by 15 minutes in fixing a bolt. The courts, decided in favour of the management. In 1982, Bhagwan Prasad Shukla, a driver was terminated. He had been suspended a year before for refusal to drive a dumper. The Labour Tribunal ratified the termination. Seven years later he was reinstated by the Labour Court at Benaras. In 1989, Nand Lal Rai, a pot room worker was suspended on grounds of misconduct. A month later his services were terminated since his explanation was found unsatisfactory. At present the case is pending at the Labour Tribunal at Allahabad.

However, Panna Lal's delay of 15 minutes, Bhagwan Prasad's refusal to drive dumpers when he was not trained to do so, do not seem serious enough to warrant the most extreme action against a worker. The management's rejoinder to the court in the case of the dismissal of another worker Shivnath Singh on grounds of misconduct states that the dismissal was ordered under "compelling circumstances". This compelling reason is the worker's association with unions. Panna Lal is an office bearer of a union associated with CITU, Bhagwan Prasad Shukla is an office bearer of a union associated with AITUC, and both Nand Lal Rai and Shivnath Singh are active union members.

Another method of controlling union activity stems from the employment structure. Contract and badli workers constitute 73 per cent of the total workforce at Hindalco. Contract workers in particular have never been part of any union activity. Not being employed directly by Hindalco, the unions too have made little effort at organising them. Badli workers are often associated with unions, but their uncertain employment conditions keep them away from struggles. So, while demands for a rational grade structure, and regularisation of badli and contract workers have been longstanding demands of the HPMU, the existing employment structure ensures that these workers on their own stay out of union activity. In addition, the fear of losing jobs is very real even to the permanent workforce and has also restricted union activity amongst them.

At present there are seven trade union organisations at Hindalco. Of these three are recognised by the management (i.e. Hindalco negotiates all disputes and agreements with them). These are the Hindalco Shramik Sangh (HSS) affiliated to the Indian National Trade Union Congress (INTUC), the Aluminium Karamchari Union (AK.U) affiliated to the Bharatiya Mazdoor Sangh (BMS), and the Rashtriya Shram'ik Sangh (RSS) associated with the Hind Mazdoor Sabha (HMS). The four trade union bodies with which the management refuses to negotiate are the Hindalco Pragatisheel Mazdoor Union (HPMU) affiliated to the All India Trade Union Congress, the Hindalco Workers Union (HVU) associated with the Centre of Indian Trade Unions, Hindalco Socialist Mazdoor Union (HSMU), and the Metal Mazdoor Panchayat. Derecognition is again another method of rendering

<b>The Endless Wait</b>					
<i>STATUS OF TERMINATIONS</i>					
<b>Year</b>	<b>Supreme Court</b>	<b>High Court</b>	<b>Labour Commissioner</b>	<b>Labour Court/Tribunal</b>	<b>Total</b>
1974	6	10	-	-	<b>16</b>
1980	1	-	-	-	<b>1</b>
1984	-	1	-	-	<b>1</b>
1985	-	19	1	8	<b>28</b>
1986	-	-	-	3	<b>3</b>
1987	-	-	-	1	<b>1</b>
1988	-	1	-	25	<b>26</b>
1989	-	-	-	41	<b>41</b>
1990	-	-	-	7	<b>7</b>
1991	-	1	-	6	<b>7</b>
1992	-	-	-	2	<b>2</b>
1993	-	-	-	16	<b>16</b>
1994	-	-	-	3	<b>3</b>
1996	-	-	-	5	<b>5</b>
<b>Total</b>	<b>7</b>	<b>32</b>	<b>1</b>	<b>117</b>	<b>157</b>
Note: 1 .The numbers represent terminated workers. 2.The data is not exhaustive. It has been collected through union activists. 3. In addition the team recorded cases in the labour court concerning non permanence of 218 workers, non promotion of 16 workers, non payment of minimum wages to one worker; in the High Court concerning non payment of housing allowance to two workers.					

trade union organisations ineffective. What derecognition means is clear from the manner in which the three yearly wage settlements are arrived at. The last agreement, in which the management negotiated with all the unions was in 1973. Non-implementation of the settlement resulted in workers' struggles which led to four unions being kept out of any future negotiations. One such exercise of a wage settlement was conducted this year. All the seven unions and representatives of the management met in the presence of the Assistant Labour Commissioner (ALC) on 6 January, 1996. Further meetings were held on 10, 19, and 27 January. At the last meeting the management announced that it had reached an agreement with the three recognised unions and hence no further discussion was required. The ALC accepted this exercise in collective bargaining. The four unions wrote to the DLC demanding that the agreement not be recognised. But it was. Subsequent representations to the DLC have been demanding that the recognition be withdrawn. But to no avail. As it appears, the issue will surface again only after three years.

There is however no provision for derecognition of a trade union by a management. The Industrial Disputes Act only defines the term trade union as an organisation registered under the Trade Union Act, 1926. But the provisions of the Trade Union Act, 1926 make such conduct by the management possible. The Act allows any group of seven or more members to apply for the registration of a trade union. But the lack of any provisions which make elections mandatory to decide the majority trade union organisation, deny workers of their right to representation and gives to the management the power to negotiate with the union of its own choice. The threat of termination apart, for individual workers associated with any of the "unrecognised" trade unions often means staying in the same grade throughout their lives. Whereas the leaders of the "recognised" trade unions get promoted easily to higher grades.

Today in Renukoot there is a complete absence of organised struggle. Both HPMU and HWU

have been involved in legal battles for many years. HPMU leaders cite the fact that they have never won a single case against the management. In such a situation workers are left with the sole option of fighting long battles as individuals (see table: *The Endless Wait*).

### ***The Long Battle***

Once a worker is dismissed, the management is by and large successful in ensuring that the worker does not get reinstated. This is quite easily achieved since termination deprives the worker's family of its means of sustenance. The conciliation attempts at the office of the DLC come to nought since the management as a rule does not appear. The conciliation effort thus only delays the matter for the worker and the worker is dragged into the Labour Court at Benaras or at Allahabad. A case in point is that of Sarav Chandra Pandey. The DLC court has ruled twice in his favour. And both times the order has been successfully circumvented by the Hindalco management. A regular badli worker, Pandey was dismissed in 1981 but reinstated. Following his complaint to the DLC less than a month later, he was roughed up by the security guards and forced to resign. The company refused to pay gratuity arguing that he had not completed 240 days of service per year for five years. As the pay-slips indicated otherwise, the DLC decided in his favour. But Hindalco appealed to the Appellate Court at Kanpur. For the last year and a half he has been forced into making regular trips to Kanpur. To make matters worse for the worker who is struggling to make both ends meet, the management attempts to evict the worker from the residential quarter by using the provisions of S. 630 of the Companies Act (penalty for wrongful withholding of property). The case is filed in the court of the Special Judicial Magistrate at Allahabad. Each time the court serves notice to a terminated worker, he is required to appear in court at each hearing. For the worker this means a travel of 16 hours, travel cost of Rs. 150 and other expenses on lawyers and food. This applies to other cases too; details of some are given in the table: *Costs of Justice*. If the worker fails to be present in court,

<p align="center"><b>Costs of Justice</b> <i>THE CASE OF TERMINATIONS</i></p>				
<b>Cost</b>	<b>DLC Court (for conciliation) at Pipri (2 km)</b>	<b>Labour Court (trial court) at Benaras &amp; Allahabad (170 and 250 km resp.)</b>	<b>High Court (1st court of appeal) at Allahabad (250 km.)</b>	<b>Supreme Court (2nd court of appeal) at Delhi (900 km)</b>
Time	At least six months. Management usually does not respond.	2-4 years Travel to and fro: Benaras: 16 hours Allahabad: 24 hours	Approx. 10 years Travel to and fro: 24 hours	Too few cases to generalise. Travel to and fro: 48 hours
Money	Rs. 500-700 as legal cost.	1,500-2,000 with union help, otherwise 2,500-3,000. Travel: Benaras: Rs. 150 Allahabad: Rs. 220	Filing petition: Rs. 2,500-3,000 Applications for expediting: Rs. 300-400 each time Hearing: Rs. 3,000 Travel: Rs. 220	With union help: Filing petition: Rs. 5,000; arguing: Rs. 5,000 Without union help: Rs. 15,000-20,000 Travel: Rs. 450

non bailable arrest warrants are issued by the court. The worker's provident fund and gratuity are not released by the management all this while. And to obtain these legally, costs the worker approximately Rs. 3000 for every Rs. 1 lakh for payment of court fee, apart from the expenses of engaging a lawyer. In sum, the worker has to bear the cost of four cases - against termination, against eviction, and one each for the release of gratuity and provident fund. In most cases therefore, despite the provision of section 33 of the Industrial Disputes Act that a worker's conditions of service etc. are to remain unchanged during the pendency of legal proceedings, workers face eviction as a rule. In Renukoot this effectively means that the worker is on the road or in a slum beside it if he is able to pay the rent for a jhuggi. Many workers, unable to live in the abysmal conditions in the jhuggi clusters, are forced to leave Renukoot and seek work in another place or return to their villages. Workers in such a situation prefer to arrive at a final settlement with the company, obtain some lump sum payment and leave. In either case the workers are unable to

effectively pursue the matter and make the management accountable for wrongful terminations.

#### ***Industrial Disputes and Hindalco***

Labour Courts and Labour Tribunals are provided for under the Industrial Disputes Act, 1947 to try and settle disputes relating to the application of Standing Orders, dismissal of workers, legality of a strike or lockout, wages, work hours, bonus, provident fund, gratuity, classification of grades, and rules of discipline (S.7,7A. and Schedule IT, III). In particular the dismissal of a worker is deemed to be an industrial dispute (S. 2A). But this has by no means meant that workers status is to be protected during the pendency of proceedings before the Labour Court, or that workers need to be provided legal help in contesting their cases in court. Nor has it meant that proceedings carry on any quicker than in other courts. It could just be the reverse. Long periods of delay in court procedures further weaken the worker. The extent of the delay can be gauged from the fact that cases regarding termination of 16 workers are being tried in the courts since 1974.

## Life After Retirement

### THE CONTINUING STRUGGLE

For DP. Chaturvedi, a retired school teacher from Renukoot, the debilitating experience with industry in Sonbhadra district has twice decisively altered his life. The first time was more than forty years ago, when the construction of the Rihand dam meant the submergence of fifty acres of land owned by his family. D.P. Chaturvedi moved from Rihand village to Renukoot town in search of employment, and in 1962 was appointed as a school teacher in Hindalco Primary School.

The next 30 years passed uneventfully. D.P. Chaturvedi retired from service in 1992, the high point of his career having been receiving the President's award for excellence in teaching. But things started going wrong soon after retirement. When he applied for his provident fund, he was informed by the PF Commissioner that the account number submitted by him was wrong. The Hindalco management also refused to pay gratuity. They alleged that he was not an employee of the school department of Hindalco Industries but of Jan Sewa Trust, an organisation that did not even exist when D.P. Chaturvedi joined the company.

Other than the dire financial constraints he faced as a result of the management's arbitrary denial of the terms of service, D.P. Chaturvedi also found himself facing the prospects of homelessness. He was allowed to retain company accommodation after retirement for a period of two years. But before this period was over, Hindalco served him a notice under section 630 of the Companies Act for unauthorised occupancy.

Today, three years after his retirement, D.P. Chaturvedi finds himself doing the rounds of various courts. As the years pass it becomes increasingly difficult for him to carry on the struggle. Other than the difficulties of supporting a family with no regular source of income, he also has to pay rent and bear the expenses of three court cases. His son has had to discontinue his education. As the cases drag on in the law courts, D.P. Chaturvedi has turned to HPMU for help in gaining redressal.

The Industrial Disputes Act was however not promulgated to protect the rights of workers. The intention of the legislation is merely to ensure industrial peace and to impose restrictions on strike and lockouts to achieve that goal. In particular, a large and diverse set of industries are listed as public utility services. In all such cases the right to struggle is considerably restricted. If the government so decides this right can be denied for indefinite periods. For example the Act declares, among others, "any industry which supplies power, lighter water to the public" as a "public utility service". Renusagar power division of Hindalco which supplies power primarily to the aluminium division and to the workers' colony was declared a public utility service soon after the struggle in December 1990 (see box *Renusagar Revisited*). Since then an ad-

ministrative order is issued every six months to debar any strike in the company.

Giving out work on contract, and keeping workers as casual or badli for long years is in direct contravention of the Standing Orders of the company and the Contract Labour (Regulation and Abolition) Act. Interfering or restraining workers in their right to organise, showing partiality towards some trade unions to discourage membership of trade union by dismissing workers, changing seniority ratings, or refusing promotions, dismissing workers on minor or trumped up charges without proper enquiry, or giving unmerited promotions, giving out work on contract, employing workers as casual or temporary, and refusal to bargain collectively — all of these constitute unfair labour practices. These are listed as such in the Fifth Schedule



of the Industrial Disputes Act. Sections 25 (T) and (U) of the Act prohibit such unfair practices and impose a penalty of an imprisonment upto six months or a fine of Rs. 1000, or both. But the Act is silent whether any authority exists which would take cognizance of the offence and prosecute the offender. In cases of terminations, even where the Labour Court had found the grounds for termination flimsy, and where the workers argued that they were being terminated for union activities, no action has been taken against Hindalco for committing unfair labour practices.

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Collectively, the practices of terminations, derecognition of trade unions coupled with the arbitrary structure of employment, inefficacy of labour legislations, and protracted judicial processes have undermined the struggle that was waged in the 1970s. Unions and workers have since then been caught in legal battles. The police chowki outside the factory gates of Hindalco aptly sums up the situation. Both at Renukoot and at Renuagar this is a recent phenomenon. On the plea that gate meetings and protests are a potential security threat, workers are not permitted to gather at the gate.

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## V. Conclusion

A complaint or a show-cause notice, a memorandum or a termination, a strike or a lockout, are all what a labour dispute is about, or so it seems. At its core are however collective or individual attempts by workers to obtain a living wage, or a house, compensation for an accident victim, or a safer work environment. But meeting every such demand increases costs and depletes profits. It also creates the conditions for further demands. Resistance by industrialists and managements to these demands is the starting of an industrial dispute or a capital-labour conflict.

In this conflict the state has assumed the position of compulsory arbiter. A corpus of laws has been created, complete with an enforcement machinery, with the avowed aim of safeguarding the rights of workers. However the experience of workers with these laws and its enforcement machinery is generally dismal. The process of legal redressal is tortuous and the 'cost' of getting justice too heavy, and especially for the individual worker, almost impossible to bear. Workers and their organisations are therefore forced into agitations and militant struggles.

These agitations are not only a challenge to the resistance by industrialists and the attempts at subverting workers' demands, they also expose the state's enforcement machinery and its laws. While

hired lumpens target individual union leaders, demonstrations and strikes are declared illegal, disruptive, and a problem of law and order. The ensuing arrests and terminations, derecognition of unions, and prohibition on strikes and gate meetings, undermine the political rights of workers. Workers unions are rendered ineffective. They either simply cease to exist or are effectively coopted. Or else they are kept busy for decades getting bail for activists and attending criminal trials, challenging terminations and supporting families of arrested and terminated workers. These combined efforts of the state and management also go a long way in ensuring that struggles do not resurface. The sum total is the elimination of the aspirations for a better life.

This oft repeated tale has also been that of Hindalco Industries. It can literally be seen in the abysmal conditions of the squatter colonies. Organised struggles of workers ended almost two decades ago in the late 1970s. What has prevailed from then on is an illusory industrial peace. Production and profits multiply. Deprivation of workers continue alongside a worsening history of accidents. Safety standards and work conditions remain uniformly poor. In the absence of any pressure, official accountability has been the first victim. Factory inspectors not visiting factories is an accepted practice and even rescue measures are not initiated for major accidents. Records of accidents and number of

casualties are easily suppressed. In short, all laws to ensure a safe workplace are regularly flouted.

Contract workers constitute the bulk of the workforce, and their numbers continue to grow. They are employed, in every department in the factory even while their legal position as 'worker' is itself tenuous. The DLC office failing in its regulatory and supervisory role paves the way for nonpayment of minimum wages. Every demand for altering this state of affairs is viewed with suspicion. For all union activity has been converted into a law and order question requiring the stationing of police chowk is at factory gates, orders forbidding gate meetings and banning of strikes.

For the workers the cost of this industrial peace has meant a denial of their basic political right to form associations and peacefully assemble. And

this denial keeps the workers in a state of dispersion which in turn leads to a continual condition of deprivation.

The case of Hindalco Industries is neither unique, nor probably the worst. It presents before us the misery of workers even within the success stories of large scale industry. It belies the naive belief that capital's affluence would add to workers' prosperity. It informs us of the ease with which workers' rights are trampled upon at the least pretext.

Democracy demands that any state intervention in a capital-labour conflict be aimed at protecting workers against the onslaught of the interests controlling capital. PUDR reiterates the right of workers to organise and struggle to be an inalienable democratic right.

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#### **PUDR demands:**

1. The regularisation of all contract and badli workers and the abolition of the system of getting work done through contractors.
2. Judicial enquiry into the accident at the flyash pond on 10 April 1996 and into the safety conditions within the factory.
3. The institution of a rational grade structure to ensure equal pay for equal work.
4. Removal of police chowki at the factory gate, withdrawal of all restrictions on gate meetings and lifting of the ban on strikes at Renuagar
5. Holding of regular, free and fair elections-to establish the majority trade union.

मैं जानता हूँ उन्हें  
कैसे ज़रूरत पड़ने पर वे  
पिछले मौसमों तक को भी  
हमारे सिरों पर हथियारों की तरह तान लेते हैं

मैं जानता हूँ उन्हें  
किस तरह कच्ची सोच को घेरा डालने के लिए  
वे हजारों रास्तों से निकल आते हैं

उन्हें परख है  
हमारे जिस्मों को  
हमारे ही खिलाफ इस्तेमाल करने की

— पाश