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WORKING CONDITIONS AND WORKERS STRUGGLES AT MARUTI

PEOPLES UNION FOR DEMOCRATIC RIGHTS
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CONTENTS

I.	Preface	1
II.	The Workers Agitation A. Incentive Wages B. The Good Conduct Undertaking C. The Lockout D. The Settlement	2
III.	Capital at War A. Non Payment of Wages B. Work Intensification and Arbitrariness in Production North C. Deducting Days of Work D. Arbitrary Transfers E. Chargesheeting F. Dismissals and Suspensions	6 ms
IV.	The State looks on A. Civil Court case B. High Court Case C. Response of the Labour Department	10
V.	Conclusion	12
BOXI	ES	
	asks in 2 Minutes Production	7 9
Priva	tization and Workers Rights: The Balco Story	16

Preface

When they first rolled out of the factory in Gurgaon, the small unfamiliarly sleek Maruti-Suzuki cars soon became a symbol of a new India. For some, the small cars signified a break from a state-led low technology economy, for others it pointed to a consumerist future. On all parts of the political spectrum, Maruti became a symbol, though of different things.

Over the last decade and a half, Maruti-Suzuki became a virtual monopoly in the car market in India. In the largest selling small car market, this monopoly has been hardly breached, even after the entry of a number of multinational car makers in recent times.

Today Maruti-Suzuki is again becoming a symbol of our times. This time the situation is different. Over the past few years a consensus of sorts has emerged among economic policy-making about the 'need' to privatize public sector organisations. So far attempts to do so have not yet been very successful. One of the earliest was the move to privatize the U.P. State Cement Corporation situated at Mirzapur and Sonbhadra districts. That led to the death of 10 workers in an unprovoked police firing at the Dalla factory. In the nationwide outrage which followed, that move had to be taken back. However Dalla came to symbolize workers anxieties about the curtailment of their rights under privatized management. The most recent example of these anxieties is the struggle of the BALCO workers against privatisation of their company, the premier public sector aluminum giant that was sold to the Sterlite Group of industries. The BALCO workers strike continued for 67 days and while the unimpressive terms of the sale was one of the central issues before the workers, there is no doubt that the strike at large was as a result of the workers bid to protect their rights under a privatized management.

While privatisation has not yielded much till now in terms of revenues for the government and neither is there any evidence that it will be good for the growth of the economy let alone employment, there has emerged a near consensus among policy makers on its need. For the first time a Disinvestment Minister has also been appointed by the NDA government. Disinvestments, that is the reduction of governments share in a public sector company is the first step towards privatisation of a company. The consensus is that for disinvestments to be successful, the most successful and profitable public sector enterprises need to be privatized first. Foremost among these has been Maruti. As a consequence, the government in 1992 agreed to take the first step towards privatisation by reducing its own share to 50% and allowing Suzuki Motor Corporation of Japan to become the largest shareholder by picking up an additional 10% of the company. A public sector enterprise was thus converted into a joint-sector enterprise. The next six years saw a struggle between the two principal shareholders over who would actually have control over the functioning of the company in particular through the appointment of the Managing Director. This struggle was umpired by a media with its own biases and was naturally affected by the changing names and complexions of the parties holding state power at the Center. On 6th June 1998 a compromise was reached through an agreement between Government of India and Suzuki Motors Company over the appointment of the Managing Director, which many have seen as a sell-out to the company's foreign partner.

In a sense therefore, Maruti has already been privatized. Today moves to sell another significant chunk, if not all, of the governments stake are being talked about. From all accounts it appears that in some ways the government's success in doing this will have significant implications on the future of its privatisation attempts. Maruti is hence fast emerging as a symbol of public sector privatisation. Ironically, since it was among the most successful public sector enterprises known!

Over the last few decades an image of the public sector as a bloated and inefficient behemoth has been created, obscuring the real contributions which it made to the economy and polity of India. Unfortunately, public dissatisfaction with the services provided by public sector utilities, the fairly bad work culture that prevails in many of them, and the indifference, which trade unions sometimes show to the concerns of the public at large, have tended to strengthen such views. However the argument that privatisation is the panacea is far from convincing. In particular, there is no doubt that workers' rights become the first victim of privatisation.

In this context the question of workers' rights in the Maruti factory assumes importance. In what way will the workers be affected by the proposed privatisation? How will it affect their democratic and human rights? A lot of current wisdom sounds as if the commercial realm should be innocent of the language of rights. On the contrary, we feel that these questions are too important to be left to the play of market forces.

It was in this background that PUDR received the information of widespread harassment of workers at the MUL factory in Gurgaon, and sent a fact-finding team to investigate. The team met scores of workers, representatives of the management and did find evidence of systematic harassment, which is presented in this report. This harassment was linked to a four to five month long agitation which the workers had conducted a short time earlier. The PUDR found that the story of this agitation, the attitude of the management, the government and the Courts point to significant lacunae in our democratic institutions regarding workers rights, lacunae which are becoming bigger and bigger every day. We have therefore also chronicled this earlier agitation by the workers.

The story of the MUL workers is an evolving one, which is far from its destination. Nevertheless we feel that the events of the last twelve months or so are sufficiently important for everyone concerned with democratic rights and in particular with the rights of workers. Hence this report.

I. The Workers Agitation

A. INCENTIVE WAGES

The workers movement in Maruti Udyog Limited (MUL) in 2000 began on the issue of incentive wages. Till 1995 wages were determined according to the original incentive scheme, which had been implemented in 1988. This had been proposed in a MOU that the Company signed with the government in 1986. According to this incentive scheme, 65% of all savings in labour-cost above the norm set was to be distributed to workers as an incentive bonus. The norm was then set at 41.5 cars per worker per year.

In 1995 the management unilaterally withdrew this incentive scheme. A new productivity cum profit based incentive scheme was introduced which calculated incentive wages on a modified basis on the revised norm of productivity per *direct* worker as its base and a bonus on the increase in profit ratios. Apparently the Union protested, but no agitation was called. This incentive scheme however was to operate for a period of four years after which the management could extend it further, after consulting the Union. After its lapse on 1/4/99 a new scheme had to be framed. The company asked the Workers Union for suggestions and the Union proposed the re-introduction of the old pre-1995 scheme. At the same time the Union also placed some demands relating to some pending issues regarding the pension scheme agreed on during the last wage settlement. After several months of delay, a Committee was constituted consisting of Director Finance and Personnel, which prepared a new incentive scheme- 'Productivity, Performance and Profitability linked Scheme', to be applicable from 01.04.1999.

It may be of interest to consider that the project report of the company in 1982, envisaged production of only one lakh vehicles on a manpower base of 4000! This target was reached by 1988. In 1995 the production level had gone up to 2 lakh cars and in 1999-2000 it had crossed 4 lakh units! By this year the diversity of products from the Maruti stable had also increased considerably. Worker productivity was only 38 cars per worker in 1988. According to calculations done by the Centre for Workers Management for the Maruti Employees Union, in 1995 it had risen to 77 cars per worker per year and in 1999-2000, it had reached nearly 107 cars per worker per annum (see table on next page).

While some of these productivity increases are due to technology changes, a significant factor has been due to labour. Our interviews with workers suggested that they and their union has been a participant in this increase in labour productivity. In fact, MUL has always praised the contribution of its workforce to meeting its production and quality targets.

In the late '90s, Maruti had begun to feel the effects of competition. New models were being intro-

Year To	Cars per otal Employee (per year)	Cars per Direct Worker (per year)
1995-1996	56	77
1997-1998	63	85
1999-2000	70	107

Source: Center for Workers Management, citing MUL Annual Reports and MUL Employees Union Figure rounded off

Note:1. Total employee includes all the employees (both production and those not directly related to production).

2. Direct Worker includes the workers who are directly related to production.

duced and price competition in the car market had started. Citing these factors the latest incentive scheme made drastic changes in the mode of calculation of incentive wages. According to this incentive scheme, the incentives paid would be dependant upon the sales of the company, both of cars and of spare parts, and the attendance record of the worker. The union refused to accept this and reiterated its proposal that the earlier incentive scheme of MUL be reactivated, with a revised base which could take into account the productivity increases due to increased capital investment and automation. The union argued that productivity incentive couldn't be connected with cars sold since that was not something the workers could determine. However the management refused to accept the union demands and management-union talks were inconclusive, and were finally called off in September 2000.

From 8 September the workers agitation began with a week-long program of wearing black badges, sloganeering and gate meetings. On 17 September the Union held a General Body Meeting (GBM) in which a program of action was chalked out consisting of collective hunger strikes, tool down strikes etc. The date of implementation was left to the union executive to decide. The union then wrote to the management on 18 September, asking them to resume union-management meetings immediately with a view to resolving the grievances of the workers and informed them that the workers' GBM of 17 September had decided to resort to hunger strikes, tool down strikes, fast-unto-death and total strike, which would be resorted to "without further notice" if the management remained adamant.

From 3 October 2000 the union started a tool down strike of two hours in each shift. The management issued a notice on the 3 and 4 October declaring the tool-down strike as illegal. The MUL management argues that the strike was illegal since it did not receive the mandatory 14 days notice. The management refused to recognize the letter of 18 September as a notice of a strike. The union argues on the contrary that in its letter of 18 September it had given the mandatory 14 days notice. From the perusal of the letter of 18 September, it appears that the management is quibbling over technicalities. A notice to strike was given the requisite days in advance; as the letter itself makes clear the union was contemplating a strike only if the management refused to open negotiations on the Union's demands.

This phase of the agitation of the workers continued till 12 October. It was composed of 2 hours of tool-down strike in each shift, gate-meetings and a hunger strike by union office bearers and workers. Even before the tool down and hunger strike started the management had begun retaliating by suspending 10 workers on 30 September on charges of slogan-shouting among others. Later, on 6th October 4 workers were dismissed. From then on dismissals and suspensions were almost a daily affair. In this period, the President and the General Secretary of the union who were on hunger strike were picked up by the police and charged under S. 309.151,107 IPC. They were released on 12th October from Rohtak Jail only when the Gurgaon Bar Council threatened to go on strike.

B. THE GOOD CONDUCT UNDERTAKING

On 12 October when the workers arrived at the factory gate they were greeted by hundreds of policemen who had barricaded the main national highway on which the factory was located and diverted all traffic. The factory gates were shut and barricaded, except for one entrance before which a table and some chairs had been placed on which some management personnel were sitting. Loudspeakers were blaring and banners had been put up on the closed gates. From the banners and the announcements the workers came to know that the company had framed some "good conduct undertaking" which they were required to sign before they entered the factory. Those workers who did not sign would not be allowed to

enter. The good conduct undertaking stated the following:

- ⇒ that the individual worker would not "indulge in go-slow nor resort to tool down or stay-in strike"; that the worker would not "indulge in any other activities in breach of the Certified Standing Order which has the effect of adversely affecting the production and discipline.
- ⇒ that the breach of the good conduct undertaking shall constitute gross misconduct and if found indulging in any activity in breach of this undertaking, the management shall have the legal right to take appropriate legal action.

The notice was a clear attempt by the management to break the agitation and force the workers to withdraw the tool-down strike. While the management has the right to ensure that losses are not incurred, the nature of this notice is a clear violation of workers rights guaranteed by the IDA and the Certified Standing Order of the company. When the workers read the good conduct statement, they felt it was pernicious and refused to sign.

The contents of the notice clearly violated the Standing Order, as the Standing Order does not make any mention of good conduct undertaking. Clearly, the management had introduced a new clause in the working conditions arbitrarily. The Standing Order is an agreement between the workers and the management and both parties have to comply with its terms. If changes are to be made then notice has to be given and a certifying officer has to be present and has to certify the consensus between both parties. In demanding unilaterally a good conduct undertaking from the workers, the management flouted the provision of the Industrial Employment (Standing Order) Act, 1946, which regulates Standing Orders. The first clause of the undertaking states that the individual worker will not indulge in any go-slow, tool down or stay on strike. This clause is a clear violation of the right to strike or tool down, which are legitimate rights and are guaranteed by the IDA (25T and 25U read with the Fifth Schedule). To insist upon individual workmen, who are on legal strike to sign a good conduct undertaking, as a precondition to allowing them to resume work, is clearly an unfair labour practice (Sec.8, Fifth Schedule). As the workers refused to sign the undertaking, the management prevented them from entering the factory and declared that they were on an illegal strike. The violative undertaking thus became a condition, which forced the workers to either sign away their existing rights or be saddled with an "illegal strike". The "strike" forced upon the workers by this pernicious undertaking therefore must be treated on par with a lockout. In a bizarre and vindictive reprisal the management later, deducted wages for the entire period of the enforced lockout from 12 October to 8 January on the grounds of no work, no pay. Deducting wages of those who refused to sign the undertaking is an unfair labour practice (Sec.4(b) Fifth Schedule).

All these are blatant violations and by singling out individual workers and forcing them to sign the undertaking individually, the management sought to undermine collective activity of the union. Such an undertaking closes all options for the workers in the future. Private companies such as Escorts to crush union strikes have used the instrument of good conduct undertaking earlier. It is surprising and appalling to see that a joint venture of the government of India is using such a method to quell workers.

C. The Lockout

From 12 October onwards the workers were not allowed to enter the factory and stayed assembled outside. The next day too, and the day after that saw no change in the situation, with scores of policemen, including mounted policemen present. After two days the national highway was again opened to traffic but the factory gates remained shut except for one sole entrance. The DC passed an order prohibiting assembly within 100 meters of the factory gates, and the workers were not even allowed to hold meetings in their union office. They started assembling every day in a park down the road. This continued till 13 December.

The workers allege that the management started exerting pressure to get the undertaking signed and even visited peoples' homes. According to them, by use of pressure some workers were forced to sign and entered the factory. Out of a total unionized strength of about 4800, we were told that about 600 odd workers signed the good conduct undertaking.

However the management continued production, though at a lower level by use of the contact labour

and the apprentices at the plant. It is alleged that the apprentices and contract labour were kept under virtual lock and key within the plant and not allowed to leave the premises for several days. If this did happen then it is a violation of the rights of the contract workers and apprentices who were so incarcerated. In this period two workers, Chandra Bhan and Rajesh died. The union attributes the death of the former to inhuman work pressure and management intimidation.

Meanwhile the workers' union contacted various political parties, and many political leaders, including MP's of the ruling alliance, visited the factory site and promised support to the workers. On 23 October an all-party delegation met the Prime Minister, who gave an assurance that something would be done. On 24 October a meeting was called in the Prime Minister's Office and attended by the Industries Secretary, the Secretary to the PMO and the Maruti Management. It was decided at that meeting that normalcy would be restored by taking the following steps:

- 1. The Union must agree to the incentive scheme proposed in October 2000 by MUL;
- 2. The Good Conduct undertaking would be withdrawn by the MUL management;
- 3. The Standing Orders in force will be followed and
- 4. Regarding the suspended and dismissed workers, the law will take its own course.

The MUL union however refused to accept the decisions of this meeting. They demanded that all dismissed and suspended workers must be reinstated and argued that since the incentive scheme comes under the purview of collective bargaining, the collective bargaining machinery should be activated to decide an acceptable incentive scheme.

On 29 November a Calling Attention motion was moved before the Lok Sabha. Manohar Joshi, the Industries Minister, said in Parliament that the good conduct undertaking as demanded by the MUL management affects collective bargaining so it should be withdrawn, and he repeated the points contained in the decisions of the meeting of 24 October. However all this had no discernible effect on the Maruti management. It continued to keep the factory gates shut, utilizing the good conduct undertaking, which it had itself introduced, as a bargaining chip to extract concessions from the workers.

By 13 December, union leaders decided that their agitation was being completely ignored, and they would have to force the attention of the government to their plight. They decided to hold a continuous dharna at Udyog Bhawan. On 13 December about 4000 workers suddenly arrived at Udyog Bhawan without warning and occupied a portion of the parking. They were to stay there night and day, braving Delhi's bitter winter, till 8 January 2001.

After the workers reached Udyog Bhawan, a galaxy of political leaders of all shades and stripes came to Udyog Bhawan and promised their support. In particular members of the ruling alliance assured the workers that their demands would be met. The workers continued to maintain that they were not on strike and that the management was not allowing them to enter the factory.

D. THE SETTLEMENT

From 18 December the union leaders, Madan Lal Sharma, Daya Chand, D. K. Chauhan and Mangelal went on a fast-unto-death. On 19 December a large number of opposition MP's moved an adjournment motion on the Maruti workers agitation in Parliament. Several political leaders spoke and about 200 MP's supported the demand of an adjournment motion. As usually happens, the ruling alliance tried to prevent this from happening and finally instead of an adjournment motion, the speaker called an all-party meeting on the issue in his chamber the same evening to discuss the issue. The meeting was held and the issue discussed. The decisions of the meeting of 24 October and the response of the union to them were placed before the meeting. The meeting decided that an acceptable compromise could be reached if the workers accepted the incentive scheme proposed by the MUL management, while the MUL management agreed to reinstate all workers dismissed or suspended in the course of the agitation. Vasudev Acharya of the CPI (M) was given the responsibility of talking to the workers, while Industries Minister Manohar Joshi was given the responsibility of talking with the Maruti management.

Vasudev Acharya contacted the workers and they agreed to accept the decisions of the all-party meeting, and gave a written statement to that effect on 20 December. The statement asks for all dismissed and suspended workers to be reinstated, accepts the incentive scheme proposed by the Management, promises to obey the Standing Orders provided the management did that too and extends all cooperation in restoring normalcy.

However despite being approved by an all-party meeting held in Parliament under the chairmanship of the speaker, what was ostensibly a 50% government controlled company refused to accept this settlement. All this while the workers continued to sit out in the bitter cold at Udyog Bhawan. The MUL management continued to refuse to reinstate dismissed or suspended workers, finally offering to take back a limited number of them. There is nothing to indicate that the government of India put any pressure on the MUL management to accede to these terms, but instead presented an ultimatum to the workers that this was the best they could get. On 8 January therefore, the workers finally gave in and decided to accept the final offer by the Company. The terms of the Settlement made clear that the Union would extend its cooperation to the management, give a collective undertaking of good conduct, abide by the Standing Order and accept the October 2000 incentive scheme

A total of 82 workers had been dismissed and 12 suspended during the course of the agitation, starting from the 10 suspensions on 19 September. By the settlement of 8 January 41 workers who had been dismissed were taken back, and 5 more had their dismissals changed to suspensions. Hence after the settlement 36 workers, including many of the office bearers of the union remained dismissed and 17 remained suspended.

It should be noted that statutory procedures were not followed in any of the dismissals. The dismissal orders uniformly state that an enquiry is not possible given the situation in the factory, and give no chance to the worker to explain. Moreover the summary dismissals are on universally frivolous grounds, especially in the context of daily tool-down strike and gate meetings by the workmen. The charges are all connected with the agitation, and include slogan shouting, abusing or passing derogatory remarks against management; instigating workers to join the tool down strike; stopping production. For example, the dismissal order served to one of the workers states the charges against him as instigating workers in the spare parts division to wear black badges and join the go-slow, visiting the tent put up by the union outside the factory gate to instigate workers, mobilise people for a demonstration to the Corporate office (described as "leading a mob" in the chargesheet), shouting "Inquilab Zindabad" at a Deputy Manager and participating in the relay hunger strike. Similarly, the charges against G.K. Walia, the treasurer of the Union include slogan shouting, derogatory remarks against the management and conducting meetings! Since most of those charged are those who were active in the agitation, including elected office bearers of the union, it is to be expected that they will shout slogans, exhort workers to participate in the tool-down and give speeches against the management. It is indeed surprising how the management could dismiss workers on such frivolous grounds.

Despite the fact that the company was forced to withdraw the good conduct undertaking and from almost all quarters this undertaking came in for widespread criticism, the company went overboard trying to portray the settlement as a victory for them. The fact that their stand regarding the Good Conduct Undertaking was proved morally and legally indefensible was ignored by them, as well as unfortunately by the media covering the issue. However, as soon as the workers came back to work the company began to take steps to try to crush the organized workers' movement within the factory.

II. Capital at War

From our conversations with many of the workers, it appeared that after their return to the factory on 8 January, many of the workers expected that things within the factory would now go back to normal. Nothing however was further from the truth. They came back to a factory whose management it appeared was intent on teaching them a lesson. Not only did they have to suffer severe financial distress due to

almost half a year without receiving their salaries, but also the factory atmosphere was overtly hostile and abusive. From the plethora of complaints the following emerged.

A. Non Payment of Wages

The first penalty imposed on the workers was non-payment of wages for a strike, which was forced on them. The penalties were a multiple of the number of hours lost during the tool down and the de facto lockout after 12 October. As a result of this, workers did not receive their wages for the months of October, November, December, January and February. Even in March and April workers did not receive their full wages.

Penalizing workers by withholding wages for so many months, and making workers work without wages are all violations of not only the rights of workers, but violations of elementary civil rights of the workers. It should be noted that this severe penal provision has been imposed on all the workers who were on the forced strike without even the pretence of an enquiry conducted by the company!

B. Work Intensification and Arbitrariness in Production Norms

There has been a significant intensification and speed-up of the working process within the factory after the workers resumed work at the factory. This is despite the already high productivity gains recorded by the factory. Earlier each unit had a certain known daily target to complete. While overtime targets were increased, the increase took place in a planned way. Now, workers report, things are different. In some units there are no targets but workers are made to produce as much as they physically can in the working day. As a result production is significantly higher than before. In other units daily targets are set, but they

may differ from day to day. They too are higher than earlier targets. Since there are no norms set, the worker is under continuous tension. A production level, which was regarded as adequate on one day, may be regarded as inadequate on another day, and a warning letter issued.

A pointer to this increased intensity of work is the fact revealed by the management that ever since the agreement was made about 500 apprentices have been sacked. The MUL factory earlier employed 1300 apprentices who worked on the production line like full members for a pittance. This would surely have increased the work pressure on the workers.

This higher level of work-intensity is achieved by continuous pressure on the workers, taking the form of threats, warning letters, marking workers absent for half a day and drastic curtailment of any physical relief during the shift. The universal complaint among all the workers we talked to was of mental torture by abuses and threats by the supervisors and the lower level managerial staff. Workers are helpless before such punishment since avenues for redressal of grievances are not allowed to exist.

C. DEDUCTING DAYS OF WORK

A favourite tactic of the supervisors is of deduction of days of work. Workers unable to adjust to the shifting demands made on them or middle aged or eld-

18 Tasks in 2 Minutes

At the Engine Shop the following task is to be completed by a worker (aged 42 in this case) in two minutes.

- 1. Lift the Block (weighing about 30 kgs.) or crank shaft
- 2. There are 16 bolts in all out of which 4 have to be placed by the worker
- 3. Checking of all the 16 bolts
- 4. Tighten all the bolts, torque them
- 5. Turn the Block back
- 6. Put a pin on the crank shaft
- 7. Place the stopper
- 8. Place the flywheel (8 kgs.) on top of the pin while centrally orienting it
- 9. After aligning the flywheel press the bearing
- 10. Fix six bolts
- 11. Torque the six bolts
- 12. Mark all the bolts as checked
- 13. Place the clutch and the pressure plate on the flywheel
- 14. Align the plate and torque again
- 15. Place the block straight once again
- 16. Remove the center and stopper
- 17. Remove one bolt
- 18. Lift the block with the help of the crane and place it on a palette

erly workers who have not been able to cope with the increased workload are penalized by retrospectively marking them absent. Similarly, workers who do not come well before their shift starts are penalised. The team met workers who had half day wages cut though they punched their cards just a minute after or even at the exact time the shift starts. One worker we met had over a week's wages deducted from his accounts for April, though he was present on all days. He was orally told that this was because he had not finished the work given to him. The team met several such workers, who despite being present had their wages deducted for the day on some or the other pretext. The management claimed that such deductions are routine and are not aimed at victimisation. However the workers vehemently disagreed.

The other new development which incensed the workers was their not being allowed to visit the toilet except in their own rest-time. Within a shift of eight and a half hours the workers get two tea breaks of seven minutes each and a lunch break of half an hour. That adds up to 44 minutes in 510 minutes of the shift. There are two canteens and as a consequence workers at many locations in the plant have to decide between visiting the toilet and having tea and refreshments. Is seven minutes adequate for stopping their work, going to their locker to get their glass, visiting the canteen and getting the tea after standing in line, washing their glass, replacing it in the locker and going back to their work? As a consequence of this, we were told that many workers have started developing renal and urinary problems due to holding their urine for long periods of time.

Not allowing workers to go to the toilet, which incidentally is a standard method of harassment of agricultural labour by exploitative landlords in places like Bihar, is just one of the ways of harassment which the management appears to have devised. In particular workers with disabilities appear to have been singled out. For example one worker had a finger injury at work a few years ago. The injury impaired the use of that finger, and affected the pace at which some of the heavy work could be done by him and he was given work which involved less physical exertion. After 8 January however he was assigned heavy work. On being sent before the medical board for medical examination, he was told to take "rest", without pay for three months on the grounds that he was suffering from hypertension, after which he was to report back to them! This, when Safdarjung Hospital had declared him fit for work.

D. Arbitrary Transfers

Workers doing office related tasks who were active in the strike are being penalised by being transferred to the Assembly line. For example an employee was appointed through an advertisement in the post of a computer operator in the EDP division, and was working as Assistant. He has been now transferred to the Assembly line as an assembly operator. Similarly, another employee was appointed to the post of Assistant since 1992. On 16 January he was informed that he will have to work as a technician on the line. He appealed to the management that he is not a technician and cannot work on the line, and he is well trained to work as an Assistant, as apart from work experience, he is an M.B.A. and holds several Diplomas too. However the management has refused to entertain his plea. But these two are not alone. About 63 people have been transferred in this way after the settlement. Some of these people earlier worked in the accounts department, as office assistants, as computer operators, in the electronics lab or in Spare Parts Inspection Section. Others worked as attendants who were required to place material, and who are now doing the jobs of technicians. A maintenance worker is assembling vehicles. Many of them had been working in their earlier posts for several years, some as many as 16 years. One of the transferred persons, who worked in Spare Parts Inspection Section is a handicapped person. He was transferred from his workstation to the Assembly Line after 8 January. Immediately after joining work he was given a warning letter to which he submitted an explanation. After ten days he was given another letter threatening him with disciplinary action. After another few weeks he was given yet another letter warning him of not completing his work on time.

The management is claiming that the transfers are being done since they have become surplus in their present positions. However the transferred employees contend that in fact there are vacancies in their previous offices. In many cases the transfers have taken place even though juniors continue to work in the same posts in the previous offices, which violate the IDA Sec. 25G read with rule 75&76. According

to the union these transfers violate No. 11.1 of the Standing Orders, and they amount to termination and reappointment. Even in case of surplus a procedure is to be followed in accordance to the IDA; a list of the surplus employees is made and retrenchment is done on the basis of first come last go (Sec 9A read with Schedule 4). The ad-hoc and cavalier way in which the transfers have been made indicative of management's vindictiveness.

Lean Production

Current systems of work organisation in corporate manufacturing are often referred to as "lean production" systems. They emerged from what became called the Toyota production system, followed by most Japanese corporations. Earlier forms of work organisation popular in large companies were named after the US car giant Ford. The model of modern lean production is yet another car manufacturer: New United Motors Manufacturing Inc. (NUMMI) a joint venture of General Motors and Toyota.

A significantly intensified workload and a speeded up work process are the essence of lean production. Under this system workers are made to work harder and faster than before. The simple principle is that costs can be greatly reduced if conventional protective cushions against breakdowns and production glitches are eliminated. Both buffers of parts and materials and hiring extra workers must be removed. Inventory control is exercised to ensure parts and materials arrive just as they are needed and production is "Just - in - Time" to meet demand targets. The workforce is also drastically pruned after establishing maximum redundancy. This is done by subjecting the entire production system to extreme stress. If a department is consistently meeting or exceeding its production targets the 'cost' obsessed management argues that some of the workforce could profitably be removed from this department. The remaining workers then would be forced to meet the same production levels or be subject to management's adverse attention. This perverse logic results in the continual trimming of departments that are running smoothly until it reveals its cracks under the strain of intensifying pressure. Stress is the guiding force 'managing' the production system.

Each operation is broken down to precise detailed description of every procedure — how many steps to take; what the left hand should do while the right is turning the wrench!

Flexibility is another key word of lean production. Depending upon demand conditions the management can re assign a worker from anywhere to anywhere without notice. 'Multiskilling' of the workforce as this is called, is actually a process of "deskilling" and of overcoming barriers of job classifications and union contracts. In this system there is no longer any premium on more experienced trained workers. Since they tend to be paid higher, the management looks for ways to induce the older workers to leave.

Alongside harsher workload is a harsher system of penalties, supervisory control and discipline. The extra labour force that stood in for absent workers is removed and any absenteeism however legitimate is not tolerated. Sudden unanticipated hikes in demand can be met by outsourcing and contracting out. In times of slump this becomes the cushion protecting the profit margins of the company. More regular changes in demand can be met by periodic retrenchment or hiring-in. "Hire and fire" labour policies thus become integral to lean production.

Lean production also reduces safety costs by trimming safety precautions and procedures to cut costs. The combination of greater speed, more intense work pressure and the absence of maintenance and safety procedures takes it lethal toll on the workers' life and health. Jobs thus become more and more insecure and workers can no longer depend on the assurance of long term employment or benefits of long work experience.

Ironically therefore modern labour saving technology, far from relieving the worker of excessive strain and drudgery and improving their quality of life and work, results in the worker being driven much harder and more inhumanly than before. Naturally, for the system to be introduced and function effectively, workers' rights to organize and agitate must be removed and practices of collective bargaining and avenues of grievance redressal, won by previous struggles by workers, must be severely curtailed.

E. Chargesheeting

Around 150 people have been chargesheeted, most of them after the settlement. These chargesheets mostly pertain to the workers' agitation. By continuing to issue chargesheets even after the agreement, the management has violated the spirit of the agreement. Among the noteworthy chargesheets are of Mathew Abraham, the General Secretary of the workers' union, who was issued a 13 page chargesheet on 3 April. All the allegations made in the charge sheet pertain to the agitation period, and except for one, all are related to participating and leading the agitation. Thus Mathew Abraham is charged with demanding revision of the incentive scheme, giving calls for agitation, exhorting and inciting workers, indulging in tool down strike etc., all of which are termed unlawful and unjustified. On the same day the Vice President of the Union, M. S. Taragi, was also issued a similar chargesheet.

F. DISMISSALS AND SUSPENSIONS

After the settlement, 6 workers were dismissed on grounds of poor attendance record. 3 others were suspended and 1 trainee was dismissed. More recently, the President, Dinesh Kumar, who was earlier suspended, has been dismissed. Whenever chargesheets or warning letters are issued, the workers are not given any opportunity to explain their side of the story before an unbiased appellate body. The appellate body is deliberately not notified and thus the management's disciplinary measures become arbitrary and final. So the number of people presently dismissed is 44 and those who are under suspension is 19.

III. The State Looks On

During the course of their agitation, the workers approached the local civil and the High Court against the 'good conduct undertaking', since such a condition was illegal and violated their fundamental rights. The union also approached the labour department against the undertaking and also for redressal against the harassment by the management. As will be shown below, the response of these institutions was far from favourable as far as the workers are concerned. While the Courts plainly sided with the management, the labour department has been doing so by simply not acting on the complaints lodged by the workers.

A. CIVIL COURT CASE

The union filed a case in the Court of the Civil Judge (Sr. Div.) on 2nd November 2000. The case was filed u/s 39 Rule 1 and 2 of Civil Procedure Code challenging the 'good conduct undertaking. The Court dismissed the case on 8th November on the ground that it was an industrial dispute and hence did not fall within its jurisdiction. If the Court had just restricted itself to this there was no problem, but that was not the case. Even in rejecting the case on this technically sound reason, the Court did not fail to act as a saviour of the management.

The order opens by categorically stating that it has no jurisdiction to try such a suit because it is an industrial dispute as per the IDA. It ends by dismissing the case for the same reasons. But in between the order, the judge for the reasons best known to him decides to comment on the merits of the case for the 'sake of arguments'. According to him:

- The union resorted to "go slow" and 'tool down' straight away without giving any requisite notice of 14 days, causing loss worth crores of rupees. The letter given by the union on 18 September 2000 was not a proper notice.
- As per the Standing Order, the workers indulged in several acts of misconduct, such as slogan shouting, using abusive language against the officers, demonstrating inside the factory premises etc. Therefore in the interest of the smooth functioning of the factory, it was absolutely essential that the workers signed the good conduct undertaking. The Judge also opined that asking for such an undertaking was in conformity with law and there was nothing wrong in signing it, because it did not change their work conditions.

The Court conveniently overlooked the fact that had the workers signed the good conduct undertaking they would have lost their right to strike and so would have given the management a dangerous weapon to exploit them. In short, the judge said everything that the management would have liked it to say. The strike becomes illegal because the notice was not proper; the management was not in the wrong in asking the workers to sign the undertaking because they were on an illegal strike. Needless to say the management has widely misused these comments to defend all its misdeeds. Not only this, these unwarranted comments have caused drastic damage for the workers as these have also been used by others e.g. by the labour department and are becoming a basis for adverse responses for the workers. The question arises as to why the civil judge decided to go into the merits of the case when it did not fall within his jurisdiction. It was surely not done without purpose and it did serve the purpose!

B. HIGH COURT CASE

On 23 November 2000 the union filed a case in the Haryana High Court under article 226 and 227 of the Constitution and section 10, Section 25(t) read with Schedule V Item 8 and section 34 of the IDA. As the company no longer is a public sector unit, a writ cannot be filed in the High Court against it. Therefore the case was filed against the Haryana Government for not intervening. The respondents in the case were the State of Haryana, Secretary Labour Ministry, Labour Commissioner, Deputy Labour Commissioner (DLC), MUL and its Managing Director. Some of the main questions raised in the petition were the following:

- That insistence of signing the good conduct undertaking by individual workers and not allowing them to work amounts to unfair labour practice, victimisation and to illegal lock out.
- That the notice of the tool down strike was given in time and even this strike was withdrawn on 12 October.
- That an industrial dispute existed and the Labour Commissioner is duty bound to respond to illegal lockout, suspensions and dismissals.
- That inaction of the Labour Commissioner and the Secretary, Labour Ministry have infringed the rights of the workmen under article 14, 19, 21 of the Constitution and that they are duty bound to prosecute the Maruti management for unfair labour practices.

The Secretary, Labour Ministry and the Labour Commissioner filed their reply in the Court. On 3rd February 2001 the management sent an application that the agreement has been reached, so the case becomes infructuous and should be withdrawn. The final hearing of the High Court occurred on 7th February 2001 and its final order has been reserved. The Court however gave an interim order.

In this interim order the Court has said that there was nothing wrong in the management's wanting the workers to sign the good conduct undertaking in order to see that no untoward incident takes place, because there were allegations of violence in the factory premises, agitation, speeches and slogan shouting. The fact is that the workers had not resorted to violence either inside or outside the factory.

The order further said that the notice of strike given by the union was not proper. As mentioned earlier the union had in fact given a notice for going in for the tool down strike 14 days earlier as per the requirement of the IDA. The third point raised in the order is that if the workers were on strike then there is no question of their entering the factory premises. Again it is surprising that the Court has conveniently overlooked the fact that the workers had only resorted to a tool down for two hours in each shift and they had not stopped work completely.

And finally the Court said that if the undertaking was signed later with the intervention of the minister, why could it not be given earlier. This is indeed a very irresponsible comment because the two undertakings are significantly different. The undertaking that the management wanted the individual workers to sign had a clause that took away their right to go on strike, while the one signed by the union simply says that they would abide by the Standing Order. As the interim order is all in favour of the management, the workers hardly have any hope from the final order.

C. RESPONSE OF THE LABOUR DEPARTMENT

In the entire period of the agitation the Labour Department preferred to stay away. This is a gross dereliction since under the Industrial Disputes Act the Labour department is supposed to intervene in all labour disputes if the management and workers are unable to come to a settlement for a period beyond thirty days.

The Department has justified its absolute inaction in its reply filed in the High Court case. The reply said that the petition against the Labour Commissioner and the Secretary Labour Ministry is not maintainable. Its arguments were as follows:

- ☐ The Department did not act because the union did not send them either the charter of demands of 23rd March 2000 or the notice of going on strike. And the management, on being contacted, refused intervention. Which, according to the Department, showed that both sides did not want intervention!
- ☐ The union approached the Labour Commissioner and the DLC regarding the good conduct undertaking on 12, 17 and 23 October. But even as the inquiry was going on, the union approached the Civil Court on 2nd November 2000 regarding the same.
- ☐ The Department also took refuge for its inaction in the infamous 'for the sake of argument' order of the Civil Court and said that the matter of good conduct undertaking had already been adjudicated by it and not been reversed by a higher Court!
- ☐ Yet another reason given by the Department is that the union had approached the Court. On the other hand it also pleaded in the High Court was that the union's petition should be dismissed, as it had failed to exhaust all other avenues. So the Labour Department cannot act because the workers have approached the Court and the latter must not take any action because the workers have not exhausted the other channels.

While the DLC received a complaint regarding the dismissal of 70 workers without inquiry on 16th November, he did not conduct any inquiry because this complaint was not on a proper form and was signed only by the secretary of the union and not by the aggrieved workers. Clearly the Department appears to have been busy in trying to find some technical ground for not taking action against the management. About the workers who remain dismissed even after the settlement, the Commissioner argued that since an agreement has been reached, the law will take its own course. Also, the Department has till date taken no action in any case of harassment of the individual workers which the union has been sending. Its unwillingness to take any action on one pretext or the other is reflective of its indifference if not collusion.

IV. Conclusion

From the account of the scores of workers we interviewed, it appears beyond doubt that the management of MUL is indulging in a policy of deliberate harassment of the workers. Further, we feel that the stand of the management that the tool-down strike which started from 3 October was illegal, disregarded the spirit of the letter of 18 September. Also, its sudden introduction of the good conduct undertaking, violates the fundamental rights of the workers to organise, and to agitate to improve their conditions of work.

During the course of the agitation, MUL went public to say that each worker currently cost them about Rs. 22,000 per month. Acceding to the incentive demands would now cost them between Rs. 38,000 to 40,000 (at productivity improvements of 2 to 6%; Source: *Business Standard 5/10/2000*) while the MUL management was offering a little less than Rs. 34,000. (Source *Statesman 18/10/2000*). These statements have created a feeling among some quarters that MUL workers are too highly paid and hence their demands are unjust.

A look at the annual reports of the company give a slightly different picture. Firstly they throw some doubt upon the correctness of the figures being bandied by the MUL management. In 1999-2000 for

example the total number of employees, including management staff, was 5848, while the employee remuneration and benefits totaled Rs. 187.3 crores. This works out to an average of only Rs. 26,690 per employee per month. Since this includes both management and workers, it is not likely that the average for workers alone will turn out to be as much as Rs. 20,000.

According to an estimate prepared by the Centre for Workers Management, total management staff salaries in 1999-2000 is nearly twice total worker salaries. According to the figures they calculated, in 1999-2000 the company spent an average of Rs. 13,750 per direct worker per annum in 1999-2000, including all benefits such as incentive wages.

Our own investigation makes the above figure quite probable. We examined many workers' pay slips, and their total wages including incentives of all those which we inspected were about Rs. 12,000 to Rs. 14,000 per month. Most of these workers had at least ten years of service; many had more. Hence, compared to similar companies in the corporate sector, Maruti workers do not appear to be earning "more than they should".

However, though we have been forced to respond to this argument, we must admit that the argument itself is elitist and anti-people. It appears to assume that workers, since they are workers, have no right to earn more than some arbitrary amount. In this day and age of unheard of management compensation levels, it is sad, to say the least, that many members of our middle classes were so upset about Maruti workers supposedly earning too much.

The only statement which can be made is whether the company has the capacity to pay. Here is where the data reveal a shocking picture. Over the last ten years, the highest, the total emoluments and benefits of all employees (including management) has ever reached is just over 2% of the turnover. The following table will make the situation clear.

Employee Salaries and Benefits as a Percentage of Turnover						
Year	1990-91	1993-94	1995-96	1997-98	1999-2000	
Ratio	1.89%	1.95%	1.36%	1.92%	2.01%	
Source: Annual Reports of Maruti Udyog						

If we account for the fact that total employee remuneration and other benefits also includes the salaries of the management personnel, things look even worse for the workers. Thus the workers' share of the turnover compared to profit before taxes for selected years was as follows.

Year	Wage Ratio	Profit Ratio	Return (%)	
1995-96	0.54	10.17	57	
1996-97	0.65	10.52	55.6	
1997-98	0.75	11.91	52.4	
1998-99	0.93	10.08	33.1	
1999-2000	0.85	4.13	14.1	

Source: Table adapted from Center for Workers Management and MUL Annual Reports. In the CWM report the sources cited are MUL Annual Reports and information provided by the Union.

Note: Wage Ratio is the Direct Worker Wages as Percentage of Turnover

Profit Ratio is Profit before tax as percentage of turnover

Return is the Return on Average Capital Employed

According to the above data, total employees wages never went above about 2% of turnover, and of that more than half went to management. Direct production worker wages constituted less than one percent of turnover. These figures, when compared to other corporate industries are very low. In many similar manufacturing corporate industries, about 4% to 6% of turnover is total employee remuneration. Thus Maruti is paying its workers much less than its capacity of pay! The argument that workers are "over-

paid" is without any basis in fact.

The other common argument against trade union struggles by workers is that workers do not work enough. However, this allegation cannot be put against the Maruti workers, as can be seen from the details of productivity increases achieved by them, presented earlier in this report.

Why is the management indulging in these activities? Quite a few workers felt that the management is trying to make conditions intolerable for the older workers, so that they leave the factory. We learnt that the management is planning to introduce a voluntary retirement scheme soon, giving some weight to the workers' argument. Workers also felt that the management is using the agitation as a pretext to break the unity of the union, prior to privatisation. It is of course impossible to prove this allegation. However it appeared to have a degree of plausibility according to the team's observations. Perhaps the most indicative event was the response of the Company when the union decided to hold a General Body Meeting. The union GBM was scheduled for the 8 April and the agenda of the meeting was:

- 1. Increasing the membership fees;
- 2. Removing the supervisors from the membership of the Union;
- 3. Increasing the number of members of the working committee and
- 4. Amending the constitution so that workers who were dismissed or suspended during the agitation could remain members of the union.

The union gave notice of its decision to have a GBM to the management well in advance as required. Notice was also given to the Labour Department. The management replied to the notice, objecting to the above-mentioned points 3 and 4 of the agenda. In particular the Company objected to No 4 saying that a worker who has been dismissed cannot be allowed to stay a member of the MUL Employees Union. To point No 3, the letter objected on the grounds that MUL would suffer production losses if it releases the members of the working committee from production duties during the period of the negotiations!

However the letter from the management did more than object to two items of the agenda. It threatened the workers that if despite their objections these agenda items were passed, the management would have no recourse but to consider de-recognition of the union. Already the President, treasurer and two other executive members are dismissed and two others have been suspended. That is, only half of the current strength of twelve remain within the factory. And in the light of the fact that a second union popularly believed to be a 'management union', has been set up composed of those who did sign the good conduct undertaking, this is ominous. Using the law on recognition of unions to disallow popular unions and prop up their own puppet unions is a well known practice of corporate management. The workers union has alleged that members of the puppet union have been allowed by the management to undertake membership drives within the factory and supervisory staff have also been used to pressure workers into joining it.

The management's threat to de-recognize the union is ominous precisely because privatisation of Maruti is very much in the air. If the experience of BALCO (See Box) has shown anything, it is this that the biggest practical opposition to privatisation is going to come from the workers. Neutralisation of the workers therefore is essential for a smooth privatisation to take place. What better way to achieve this except by de-recognizing a popular union and propping up a management-led union in its place?

Needless to say the GBM could not finally be held on 8 April. The District Collector mobilised the police to prevent the meeting on the specious grounds that the venue, which is routinely used for public functions, is 'a public space'!

The struggle of the Maruti workers shows just how loaded the dice is against workers in our country today. The mechanisms of collective bargaining worked only so long as the management was interested in making them work. After that, nothing the workers could do could make a difference. The institutional

forms of redressal, the Courts and the labour department, both worked against the workers and in favour of the management. Unusually, the workers received a very favourable response from political parties and Parliament. When a decision about how to resolve a matter has been taken by MP's cutting across party lines and in the presence of the speaker, that decision can be supposed to have been taken by the Parliament. However it does not appear to have had any effect on the company. What is more the entire issue of 'incentive wages' is systematically being treated as something that lies outside the ambit of collective bargaining. Whatever the rights and wrongs of incentive and productivity linked wages this attempt to remove it from the scope of collective bargaining undermines the role of unions.

The agitation began on the issue of incentive wages. By suddenly bringing in the good conduct undertaking the management successfully deflected the struggle. The defacto lock out effectively shifted the terms of the agitation to reentering the factory without signing the pernicious good conduct undertaking. Once the settlement was finally reached the management reneged on its part of the agreement and unleashed a series of arbitrary measures that penalised and victimised the workers. So now the focus of workers struggle is geared to a basic protection of their conditions of work and more importantly their jobs. A barrage of show cause notices, chargesheets and dismissal notices has placed the workers and the union under continuous attack.

The Maruti management on the other hand consistently argues that it is reeling under tremendous competition that the new big entrants in the automobile sector have set loose. No longer a virtual monopoly, it is forced to drastically prune costs, discipline workers and improve productivity if it is to weather this threat. However recently released information shows that Maruti increased its market share from about 50% in May 2000 to 62% this May. Its monthly sales of cars surged from 25,798 units to 32,264 in the same period (Source *MUL press release 3/6/2001*). The company, unlike its workers, seems to have weathered the storm!

Historically, state legislations to ensure a certain minimum level of workers rights have come about precisely in responses to existing and ongoing workers' struggles. Though these protective provisions and safeguards were never implemented, their presence has a certain balancing effect against the powers of economically dominant sections. Over the past few years the state is trying to relinquish these powers and scrap these protective provisions. The most recent development is of course the decision to allow hire and fire at will policies among units employing a thousand workers or less, announced in the budget for 2001-2002. This is yet to be turned into law. The experiences of the MUL workers we have presented above points to the fate of rights of even the organized workers in corporate industries under the emerging dispensation. Ultimately democratic rights of the weak against the strong need state intervention for their protection. The withdrawal of the state from the arena of workers rights must be resisted by all democratic people.

PUDR Demands

- 1. Period from 12 October to 8 January be treated as illegal lockout and wages be paid for the same period.
- 2. An independent enquiry into the harassment of workers during the course of agitation and subsequent to the settlement be ordered.
- 3. Dismissals and suspensions connected to the agitation be revoked.
- Collective bargaining mechanism, in particular for negotiating issues like wages, incentives, etc. be restored.
- 5. Punitive action be taken against the labour department for its wilful and gross failure to protect the rights of the workers.

Privatisation and Workers Rights: The BALCO story

On 8 May 2001, the curtain fell on one of the longest industrial actions against privatisation in the recent years. Bharat Aluminium Company Limited, (BALCO) a public sector company, is the third largest Integrated Aluminium Plant in India. On the eve of the budget presentation the government announced on 21 February 2001 the sale of 51% equity of this company to Sterlite Industries Limited for a paltry sum of Rs. 551.5 crores. Deal finally came through on 2 March after a lot of furore in the parliament. The opposition motion against the sale was defeated by 239 to 119 votes.

The plant at Korba includes bauxite mines, an alumina refinery, a smelter and a fabrication unit along with a 270 MW captive power plant. This profit making, cash rich corporation has a workforce of about 7500. Just prior to the deal the Government brought down subscribed share capital of BALCO from Rs. 488 crores to Rs. 244 crores as a prelude to privatisation. The non-transparent valuation procedure has also raised many doubts. The two overwhelming issues raised by this sale are, first what will happen to the workers and second whether lands acquired from tribals for 'public purposes' by the Government can be transferred to the private sector.

The workers launched an agitation opposing this sale and seeking its reversal and went on an indefinite strike from March 3. A joint plat form - BALCO Bachao Sangharsh Samiti - of workers belonging to the range of central unions INTUC, AITUC, CITU, HMS, and BMS was formed. The Sterlite management was prevented from taking physical possession for some time.

On 7 March the Supreme Court stayed proceedings in the Delhi and Chattisgarh High Court transferring the matter to itself and also directed the Chattisgarh Government to protect workers and officers of the plant who wished to resume work and to ensure that the supplies were not disrupted. This order was later vacated on 12 March. On 8 March the Sterlite Managing Director, SC Krishnan, was finally able to enter the plant and two days later Sterlite declared a lockout.

The BALCO workers continued their agitation and received the support of various political parties and groups including the Chattisgarh Chief Minister. The Chattisgarh Assembly passed a resolution opposing the sale.

Finally on 1 May Sterlite offered to pay two months wages as 'advance payments' to workers if they agreed to resume work and filed an affidavit to this effect in the Court. The workers rejected this offer on 4 May.

The Supreme Court expressed its 'displeasure' over the intransigence of workers in rejecting the management offer. A long negotiation took place between the workers and the management. And finally on May 8 the work resumed in the factory after 67 days.

The management gave an assurance that no retrenchment and no victimisation will take place. Out of the 25 demands of the workers, 24 were agreed to. AM Ansari a fitter in the Korba plant who was arbitrarily terminated on 27 April by the Sterlite management for his role in an earlier agitation in 1999 was reinstated. The demand that wages be paid for the period of the agitation was not accepted. The workers were to be paid two months salaries on resumption of work but the issue of whether this was an advance or back wages was left the Supreme Court to decide. However all the contract workers were immediately thrown out.

The crucial issues of the agitation - the reversal of the sale of BALCO and a judicial probe into it were finally left out of the negotiation. The issue of the validity of the sale of tribal lands to private companies is now left for the Supreme Court to decide.

The long agitation and the wide political furore caused in its wake has finally won the workers some respite as far as service conditions go, but the larger issue of workers' say in what happens to the plant they have spent a lifetime working for, seems to remain outside their hands. So the respite might be a very short-lived one.

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