

# India: Honda workers wage tenacious struggle to defend their jobs

An Indian correspondent  
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Workers at the Honda Siel Power Products plant located near the town of Rudrapur (Uttaranchal) are waging a tenacious multiyear-long struggle to oppose the attempt of the multinational company to move the factory away from the state. For several months, the workers have surrounded the plant to prevent Honda from removing machinery and they have continued their blockade despite being attacked by company-hired goons and the police.

Located in the foothills of the Himalayas, Uttaranchal is characterized by a hilly terrain and had long been bereft of any industries. This state was carved out of the north Indian state of Uttar Pradesh (UP) in 2000. Both the state government of UP and its successor, the Uttaranchal state government, made it a longstanding policy to grant generous incentives to private capital to locate industries in this area.

The Honda plant at Rudrapur was established in 1986 after the UP state government gave the multinational various incentives, including 34 acres of land on extremely advantageous terms. The plant commenced production in February 1987, manufacturing water pumps, general purpose engines, and portable generators.

The state government also subsidized electricity, water, and provided huge exemptions from taxes with a moratorium on payments to the state exchequer for 20 years.

Some 20 years later, having exhausted the benefit of these discounts, subsidies and exemptions, Honda began to prepare to flee the region. In 2000, it purchased a plot in the Greater Noida Special Economic Zone (SEZ) bordering Delhi, with the plan of relocating the Rudrapur plant there. The company began by setting up a small plant in Greater Noida

geared towards manufacturing items it was already producing at the Rudrapur plant.

The state government of UP, which created the Greater Noida SEZ, provides private industries with all sorts of financial and material benefits to locate plants there. These include better infrastructure and lax or nonexistent labour and environmental laws, thus allowing private capital to brutally exploit workers without hindrance.

However, Uttaranchal state's industrial law does not permit a company from completely closing down and moving a plant out of state unless it obtains explicit permission from the state government.

Honda sought to get round this provision by outsourcing work to the Greater Noida plant and elsewhere. It then issued notice of intent to shift the aluminium machine shop (die casting) from the plant at Uttaranchal to Greater Noida. Management also filed litigation to have the Rudrapur workers legally restrained from interfering in the shifting of the machine shop. Undaunted, the workers took up a struggle against this move, mounting an agitation from March 7 to July 14, 2002.

The state courts have issued conflicting pronouncements as to whether the shifting of a particular unit can be considered as closure of the plant or not. Honda was told it could shift the unit, but had to give an undertaking in writing that it would not shift the whole plant to Greater Noida in the future.

Nevertheless, on August 1, 2007, Honda Siel issued a notice for shifting the entire factory without seeking the mandatory permission from the state government.

The workers then initiated a struggle against this treachery.

The company feared that it would not be able to obtain government permission to move the plant since

legally it is supposed to be given only in exceptional circumstances—circumstances beyond a company's control, such as heavy losses.

This clearly did not apply in this case. Honda Siel had earned a net profit of Rs 320 million (around \$5.2 million) from its Rudrapur plant in Uttaranchal.

An illegal closure, apart from obligating the company to pay back wages and compensation to any affected workers, also makes the company liable for criminal charges under the UP Industrial Disputes Act of 1947 (which remains in force in the newly-created state of Uttaranchal). Under this law, directors of a company that violates its provisions are liable to up to three years imprisonment.

Invoking this law, the workers initiated "industrial dispute and conciliation" proceedings before the relevant labour department.

Confident of support and protection from ministers and bureaucrats in the Bharatiya Janata Party-led Uttaranchal state government, Honda abruptly declared the closure of the Rudrapur plant on August 24, 2008 and directed all of the workmen to move to Greater Noida. The workers have refused.

Management filed a lawsuit in local courts to have the workers restrained from agitating in or around the plant and from otherwise resisting the company's attempt to shift the plant. The local court refused, however, to grant any injunction in favour of the employers.

The employers then brought about 60 goons and tried to take out the machines and other articles. The workmen resisted and a brawl took place. The district magistrate, after investigation, filed a report exonerating the workmen and implicating the employers.

Honda, however, has continued to press the courts to declare the workers' action illegal. Towards this end, the company filed a "criminal writ petition." The next day, October 17, a High Court passed ex-parte (i.e., without the presence of workers in court) interim orders directing the police to provide security to both the plant and to the workers. The ruling also directed the company to pay the arrears of wages to the workers.

Deliberately misinterpreting this order, the employers paid wages for only 24 days and sought "police help" for shifting the plant to Greater Noida. Workers responded by reinforcing their picketing of the factory,

making it impossible to shift the machines.

The employers then filed a contempt petition on November 25, 2008 against the local administration and the workers, so as to give a legal pretext for the police to attack the workers. The workers countered this by filing a contempt petition against the employers and the police on November 28. A hearing of both petitions is scheduled for January.

Meanwhile, the workers are continuing to blockade the plant so as to prevent Honda from removing machinery.

The Honda plant employs 212 workers as machine operators. There are also 54 apprentices, 75 office employees and guards, a hundred day labourers, and another hundred or so contract employees.

Though both the Communist Party of India and Communist Party of India (Marxist) have a presence in the region through their affiliated trade union federations, the Stalinist parties have done nothing to mobilize support for Honda Siel workers' struggle.



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