

# India: Union calls off militant Rico strike

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A militant 45-day strike by more than 3,000 workers at a Rico Automotive Industries plant in Gurgaon-Manesar came to an end late on the evening of November 5 after the All-India Trade Union Congress (AITUC) engineered a settlement with the company and officials from the Haryana state government.

Tens of thousands of workers in the Gurgaon-Manesar industrial belt, far and away the country's most important producer of auto and motorcycle parts, had been set to walk off the job the on the morning of Friday, Nov. 6 in a show of support for the Rico workers.

Already, on October 23, some 100,000 workers at more than 60 plants in the Gurgaon-Manesar corridor had joined a one-day walkout to protest against the murder of a 26-year-old Rico striker by company thugs. Fearing being set upon by the police, as has taken place frequently in labor disputes in Haryana, many of the workers who joined the October 23 action armed themselves with stones and *lathis* (wooden clubs). The Congress Party-led state government, which had previously declared the strike illegal and invoked a section of the criminal code banning all public gatherings of more than 3 people, responded by mobilizing para-military forces.

Predictably, the AITUC, which is affiliated with the Stalinist Communist Party of India, or CPI, has proclaimed the November 5 settlement a victory for the Rico workers. But most of the workers' demands have not been realized. These were for a significant wage increase, limits on the use of contract employees, recognition of the AITUC as the Rico workers' bargaining representative, reinstatement of 16 victimized workers and compensation for the family of the murdered striker, Ajit Yadav.

The company has given no undertaking to meet or even partially fulfil the workers' wage demands. Rico

Vice President (Human Resources) Surinder Singh Chaudhary told the press that incentives and pay increases will be decided after comparing Rico workers' wage compensation with that paid to workers employed at other leading auto companies located in and around the Gurgaon-Manesar industrial belt.

Only eight of the 16 suspended workers will be taken back immediately. Another worker will be reinstated after a month. The fate of the other seven will be determined by an inquiry overseen by the Haryana Labour Department.

Workers in the Gurgaon-Manesar region, which lies only a short distance from the national capital Delhi, have frequently complained that the Labour Department does not enforce minimum labour standards and otherwise colludes with the employers.

Under the agreement the workers will receive no payment for the one-and-a-half months, beginning September 21, that they were off work, although in India, where there is little if any strike pay, settlements often include some payment to the strikers.

Rico has agreed to pay 1 million rupees (about \$20,000 US) in compensation to Yadav's widow and to offer a job to a family member.

On November 4, Haryana police arrested Gurudas Dasgupta, the general secretary of the AITUC and the leader of the CPI's delegation in India's parliament, while he was on his way to address the striking Rico workers. He was released after a few hours, but under orders to leave the Gurgaon-Manesar area. This was the second time Dasgupta was detained by Haryana police in relation to the Rico strike. On October 1, he was arrested along with AITUC national secretary H.L. Sachdev.

These arrests underscore the Congress government's extreme hostility to any action that impinges on the interests of the auto bosses.

The Stalinist CPI has functioned as an integral part of

the Indian establishment for decades. As one of the major constituents of the Left Front, Dasgupta and other CPI MPs helped provide India's Congress Party-led United Progressive Alliance (UPA) government with its parliamentary majority from May 2004 through June 2008, even as the UPA pressed forward with neo-liberal policies.

Yet the Congress Party-led Haryana government lashes out against the CPI/AITUC leaders, as part of their vicious and concerted drive to suppress any expression of worker discontent.

The Stalinists, for their part, responded to Dasgupta's Nov. 4 arrest, by emphasizing that the AITUC and CPI were seeking to find a means to end the Rico strike—that is, that they should be recognized as partners of the government and auto bosses in seeking to contain the growing worker rebellion in the Gurgaon-Manesar industrial belt.

CPI General Secretary A.B. Bardhan termed Dasgupta's arrest "a gross intervention in legitimate trade union activities," then proclaimed that he should be immediately released so he could assist in ending the strike. Declared Bardhan, "The atmosphere is bright for a settlement."

Even after Dasgupta's release, Rico management refused to talk with him and other AITUC leaders, meeting directly only with government officials and local factory union leaders. But behind the scenes the AITUC and CPI officials pushed hard for a settlement.

AITUC National Secretary Sachdev later boasted, "we were in constant touch with them [the factory union leaders] facilitating and guiding them throughout their discussions" with Rico management and Labour Department officials.

Unquestionably, India's ruling elite breathed a collective sigh of relief at the ending of the Rico workers' strike. Not only had it become a focal point for seething workers' discontent in the Gurgaon-Manesar belt, the disruption of parts production at Rico forced the temporary closure of two Ford plants, one in Canada and the other in the US, and a GM facility in the US, thereby undercutting the efforts of India's corporate bosses and politicians to promote the country as a low-cost producer for the world auto industry.

An article in the October 21 *Wall Street Journal* observed, "The [Rico] strike has offered another glimpse into India's mercurial manufacturing sector.

Labor unrest can erupt quickly in India, leaving companies with little time to negotiate with disgruntled employees or adjust to a strike. The labor troubles, especially in India's lucrative automobile industry, have prompted warnings from foreign companies that they might consider shifting operations from the country if strikes continue to hamper production."



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