

# India: 13,000 contract workers strike at lignite mine and power-company

Sathish Simon, Arun Kumar  
23 October 2010

The strike of 13,000 contract workers against the central government-owned Neyveli Lignite Corporation (NLC) in the south Indian state of Tamil Nadu entered its second month on October 21.

The poorly paid, much abused workers have shown great determination in prosecuting their strike in the face of the unions' refusal to appeal to NLC's 14,000 regular workers to join the strike and the attempts of both government and opposition parties to foist a settlement on them that would leave them as a permanent low-wage workforce.

NLC is involved in lignite mining and power generation, with its operations centered around open-pit mines in Neyveli. It is the main supplier of electricity to Tamil Nadu and to the neighbouring south Indian states of Kerala, Karnataka and Andhra Pradesh and is one of India's most profitable Public Sector Undertakings (PSUs). In the 2009-10 fiscal year, which ended last March 31, NLC earned 78 billion rupees, or about US \$1.6 billion.

The 13,000 NLC contract workers launched their indefinite strike on September 20 to press for a ten-point list of demands, including equal wages with those of the company's "regular" workers, union recognition and permanent employment.

The strike has been widely supported by the local population in Neyveli, which lies about 200 km south of Chennai, and in Cuddalore, the district in which Neyveli is located. During the past four weeks, the strikers, their families and supporters have staged several militant demonstrations and blocked roads and railways and done so in the face of savage police repression, including a vicious police assault on workers picketing NLC buses on October 9, and the October 1 arrest of more than two thousand strikers for picketing a power station.

A district-wide *bandh* (general shutdown) in support of the strike that opposition parties called for October 19 was strongly supported throughout Cuddalore despite the deployment of over 3,000 police personnel and anti-strike appeals from ministers in Tamil Nadu's DMK (Dravida Munnethra Kazagam) state government.

The DMK-affiliated Labour Progressive Front (LPF) initially joined the strike. But, in cahoots with the DMK—which in addition to forming Tamil Nadu's government is a member of India's Congress Party-led coalition government—the LPF is

now in the forefront of efforts to break the strike.

Claiming the contract workers could not continue to endure the financial hardships caused by the strike, the LPF signed a deal with the NLC Contractors' Association on October 10 to end the strike. The deal called for a wage hike of just 1,040 rupees (about \$23) a month. The contract workers, including a majority of LPF members, voted to reject this sellout, but in a further attempt to undermine the strike some LPF activists subsequently returned to work.

The contract workers—miners, laborers and other ancillary workers—are paid between 3,000 rupees (\$US66) and 4,500 rupees (\$US 100) per month. This is one tenth of the salary "regular" workers receive for doing the same work.

When *World Socialist Web Site* reporters visited Neyveli, they spoke with several workers who had worked at NLC's operations for two decades and yet have been denied the status of "regular" workers.

Karuna began working at NLC at the age of 18 in 1992, after the company took over his farmland. Eighteen years later, he is still a contract worker. "My land," explained Karuna, "was taken by the NLC with the promise of a job and financial compensation, which was much lower than market rate. When I began work my daily wage was 30 rupees. Now I get 198 rupees in hand. Having four children, it is impossible to maintain our family on such a low wage.

"Like all other contract workers I get only 20 shifts a month instead of 26 shifts. If I got 26 shifts in a month, I would be eligible to become a regular worker. NLC management wants to prevent this."

Explaining the workers' demands, Karuna said, "We want equal treatment among all the workers, regular and contract."

Karuna—he asked that his full name not be used for fear of company reprisals—said that NLC management was seeking to force a return to work through intimidation. Managers have been calling workers on the phone and subjecting them to a torrent of abuse.

The WSWs also spoke with a 55-year-old contract worker, who has been working at NLC for 28 years, that is, since 1982. In three years he will be legally obliged to "retire," but as a contract worker he has no retirement or other benefits to speak of. Yet monies are regularly subtracted from his and other

workers' pay to finance a phony Provident Fund.

This worker's stoop and haggard appearance reveal the physical toll that decades in the mines have taken on his health.

The contract workers are not provided with even basic safety gear, like hard helmets, shoes and masks. Although they are issued with medical cards, even when they are injured on the job the workers are not provided proper medical treatment.

The largest union among the contract workers, with 8,000 members is, the Jeeva Labour Union. It is affiliated with the union federation aligned with the Stalinist Communist Party of India (CPI), the All India Trade Union Congress (AITUC). Seven other unions are also involved in the strike including the DMK's LPF and the Stalinist Communist Party of India (Marxist)-affiliated Centre of Indian Trade Unions or CITU.

Although the same unions represent NLC's regular workers, not one has called for them to take job action in support of the strike, thus leaving the contract workers to fight the central-government owned company and the state government's campaign of repression alone.

This is a longstanding policy—one which has proved exceptionally profitable for NLC. Last July when the 14,000 regular NLC workers mounted a six-day strike, the contract workers were told to stay on the job.

The opposition parties and their union affiliates, including the CPI and its AITU and the CPM and its CITU, are urging workers to pressure Prime Minister Manmohan Singh, the architect of India's 1991 turn to pro-market policies and a stronger proponent of privatization, to intervene in the dispute.

Watch David North's remarks commemorating 25 years of the *World Socialist Web Site* and donate today.

P. Kuppusamy, the leader of the CPI-affiliate union of NLC contract workers, has issued a pathetic appeal to Singh. Referring to a meager wage increase of 500 rupees offered to contract workers at Bharat Heavy Electricals Limited (BHEL), Kuppusamy said, "We hope that the PM would do something similar for the contract workers at NLC."

According to union sources a delegation of opposition leaders—including representatives from the DMK's main rival in Tamil Nadu politics, the AIADMK—was due to meet Prime Minister Singh and the Union Coal Minister Sriprakash Jaiswal to discuss the NLC contract workers' strike Friday evening.

In recent months, the Stalinists have been urging the rightwing AIADMK, which is led by the mercurial ex-movie star Jayalalitha, to join it in "popular struggles." Its real aim is to strike an electoral alliance with the AIADMK for next year's state election. When the AIADMK last held power in Tamil Nadu, it broke a strike of 200,000 government workers by employing scabs, arresting workers, and implementing mass firings.

The NLC is among the many PSUs that have been partially privatized over the past two decades and that the Congress-led central government has slated for further disinvestment.

NLC management is determined to resist the contract workers' demands for regularization of their employment and pay parity with the "regular" workforce, because these measures would cut into the company's profits, thereby making it less attractive for investors.

In July 2006, the Congress-led United Progressive Alliance government suspended plans to privatize NLC and other public sector companies after the DMK, fearing the impact of a militant strike by NLC workers against the plan, threatened to quit the government. (India: UPA government forced to put disinvestment plans on hold )

Now, however, the UPA as a whole is determined to press forward with disinvestment, as part of a package of austerity measures meant to appease investors concerned about India's burgeoning budget deficit.

The NLC strike is a part of a mounting wave of worker struggles in India and particularly in the south Indian state of Tamil Nadu. An October 17 Press Trust of India report gave voice to ruling class concern over this new militancy. Titled "Labour disputes rocking 'Detroit' of India" it read in part, "The city [Tamil Nadu's capital, Chennai] has come to be known as the Detroit of India for its large concentration of automakers, but a series of labour disputes have rocked it, putting a question mark over industrial peace." The article then made mention of a number of large recent or ongoing strikes in or near Chennai, including at NLC, Hyundai and Nokia plants, and at the tire manufacturer MRF.

The Stalinist parties and their unions share the same concerns as India's ruling elite and are determined therefore to isolate and suppress the NLC workers' struggle. Hence their appeals for intervention by Manmohan Singh and the DMK government and their opposition to any widening of the strike even to include the regular NLC workforce.



To contact the WSW and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**