

India: Maruti strike continues after occupation ends under police threat

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17 October 2011

Strikers at the Manesar car assembly plant of Maruti Suzuki India (MSI) ended their eight-day occupation of the plant late Friday night, under threat of police violence. About 1,500 police troops moved into the factory early that day to enforce a high court order to end the occupation. Workers continued with their strike, however, camping outside the factory some 100 meters away.

Although it initially proposed staying in defiance of the court order, the Maruti Suzuki Employees Union (MSEU) pushed workers to end the occupation. MSEU general secretary Shiv Kumar said: “We don’t want confrontation with the government and the court. We are therefore vacating the premises, but the strike will continue.”

About 2,000 workers launched a strike and occupied the Manesar factory the evening of October 7. Barely one week earlier, the unions, including those affiliated to the Stalinist-led labour federations, had prevailed on the workers to sign a company-dictated “good conduct bond” in return for MSI lifting a 33-day lockout. Under the sellout back-to-work agreement, the company was effectively given carte blanche to proceed with the firing of 44 workers.

The October 7 strike and occupation was a rebellion against the unions’ collaboration with management and the company’s failure to honor even the back-to-work agreement by rehiring 1,200 contract workers. It soon prompted sympathy strikes by over 10,000 workers in several auto-related companies in the Gurgaon-Manesar industrial belt. These included three other Suzuki factories: Suzuki Powertrain India Ltd. (SPIL), Suzuki Castings, and Suzuki Motorcycle India Pvt. Ltd. (SMIL).

Workers also occupied the SPIL plant. The SPIL union also ended the occupation, however, though

workers continued the strike, camping outside the plant.

The courts and the Congress party government in Haryana state backed MSI against the workers. The state government on Wednesday declared the strike by workers at Manesar and other Suzuki units illegal, starting the process of deregistration of the unions at SPIL and SMIL. Its labour department also asked striking workers to vacate the Manesar factory.

Relying on the state government’s support, Suzuki management went to the Haryana High Court on Thursday to request the illegalization of the strikes. However, the court refused to declare the strike illegal, ruling instead that workers have to vacate the factory and banning any gathering within 100 meters of the premises.

After the workers’ wildcat strike and occupation, the MSI intensified its witch-hunt against workers at Manesar plant to prepare for breaking the occupation. On October 9, it dismissed 10 workers and five trainees, while keeping another 10 on suspension. On Friday, 25 more workers were sacked.

Even though the company initially planned for police to forcibly evict the workers, it backtracked, fearing this would provoke a bloody clash with workers and provoke more sympathy strikes. Now, with the courts and police moving to break the occupation, the company is trying to use the unions to force workers to end the strike. Haryana Labour Minister Shiv Charan Lal Sharma said: “I have been told by the management of Maruti Suzuki today that it would hold talks with workers on Monday.”

It is still unclear whether MSI will talk with the MSEU, because it adamantly refuses to recognize the union. It has held talks with only its stooge union, Maruti Udayog Kamagar Union (MUKU).

Signalling its readiness for a compromise with

management, MSEU president Sonu Gujjar said: “We are open for discussions, while the management is reluctant to do so.” He then warned management: “If there is no solution immediately, the tool-down strike could spread to other companies in the belt, as we have support from other trade unions also.”

MSI management is trying to intensify its witch-hunt against militant workers, accusing them of damaging machinery and equipment during the occupation. Sharma said: “The management wanted to ensure that machinery and auto equipment have not been damaged in any way by the workers during their stay in the factory premises. Therefore, it will carry out a thorough check of the plants.”

The unions helped MSI management break the workers’ occupation—particularly the Hind Mazdoor Sabha (HMS), and the All India Trades Union Congress (AITUC) and Centre for Indian Trade Unions (CITU), affiliated to Stalinist parliamentary parties, the Communist Party of India (CPI) and the Communist Party of India (Marxist) or CPM, respectively.

The sell-out agreement forcing workers to sign the ‘good conduct bond’ and to end the 33-day lockout was negotiated by the HMS. The AITUC and CITU endorsed it.

Despite broad support by workers in the Gurgaon-Manesar industrial belt for the MSI workers’ strike and occupation, shown in mass sympathy strikes, the union federations did nothing to mobilise support from other workers in the area. The unions isolated the MSI workers, to force them to end the occupation.

The unions echoed MSI management’s allegations that striking workers were using “violence,” with AITUC national secretary D.L. Sachdev accusing young workers of being “amenable to being misled” and infiltrated by “ultra-left elements.”

The use of the term “ultra-left,” employed by the Stalinists to refer to Maoist insurgents (Naxalites), banned by the Congress-led national government, amounts to implicitly offering support in advance to any police crackdown against the occupation.

MSI is desperate to end the strike, which has brought production to a total halt. According to a Maruti spokesman, the strikes have cost the company at least 17.50 billion rupees (\$US56.5 million) in lost output since June, when MSI workers held a two-week-long sit-in strike to press their demands for recognition of

the MSEU union. Maruti Suzuki’s stock has fallen 16.6 percent since June 3, when workers began their strike.

Production at the Maruti plant in nearby Gurgaon also ceased on Friday due to parts shortage as a result of sympathy strikes at other Suzuki plants. “Maruti is not producing any cars at the moment,” a Maruti spokesman said. The strike undermined Maruti’s sales targets at a critical time, as Indians consider that it brings luck to buy cars and other costly products in the current Hindu festival season.

Adding to MSI’s concerns, its rivals are attempting to get an advantage over Maruti. On October 13 Hyundai Motor Company introduced the Eon, its cheapest model in India so far, with a price starting from 269,999 rupees (\$US5,496) compared with Maruti’s best-selling Alto starting from 235,413 rupees.

The strikes have so alarmed MSI’s investors that some of them made an unprecedented call for direct talks with strikers at a conference call organised by Mumbai-based brokerage Nirmal Bang Institutional Equities Pvt. Ltd. Its officials said: “We approached them and asked them to answer questions of investors and shareholders, who wanted to know the other side of the story.”

Union leaders participated in the conference call and raised fresh demands, including restoring salary cuts at the plant.

Morgan Stanley said in a note that “any worsening in labour disputes could potentially drive structural downside risk to Maruti Suzuki’s margins from higher staff costs in the long run.”

Maruti Suzuki’s current labour costs amount to 2 percent of net sales—the lowest among its peers in India and Asia. MSI wants to keep these super-exploitative conditions to maintain its 50 percent share of the Indian car market, which makes it the biggest carmaker in the country.



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