

India's Kingfisher Airlines workers demand unpaid salaries

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Several hundred employees at privately-owned Kingfisher Airlines in India have engaged in strikes and other job actions over the past month to demand back wages owed to them since March. Rank-and-file workers—who are not represented by any unions—have organized the job actions themselves.

The most recent strike, which began September 30, involved airline engineers who were soon joined by pilots and some cabin crew. The company's domestic and international flights out of Mumbai and New Delhi were halted by the walkout. The media reports that 500 employees, including 30 pilots, 250 engineers and cabin crew, have been involved in the strikes.

This was the fourth walkout by the Kingfisher employees over the last eight months. In August pilots struck twice the non-payment of salaries. In some cases, employees have reported they are owed as much as 300,000 rupees (\$5,800).

The airline has reacted to the job actions by locking out employees. Management has charged that the job actions are "illegal" and a "temporary lockout" imposed by management on October 4 has been extended to at least November 5.

The airline claims it has no money to pay long-overdue salaries and expects employees to continue to work without pay to overcome the company's financial crisis.

Kingfisher Airlines, which was launched in 2005 by the liquor-baron Vijay Mallya, has never recorded a profit. A multi-billionaire, Mallya owns the profitable giant United Breweries group based in Bangalore, the capital city of the southern state of Karnataka, and numerous other business ventures.

Kingfisher is now drowning in accumulated debt of 70 billion rupees (\$1.35 billion) and has incurred accumulated losses of 65 billion rupees (\$1.25 billion).

According to media reports, fully 20 percent of the airline revenues are consumed by interest payments on the debts alone. The current financial disaster facing Kingfisher is the result of the speculative activity by Mallya over the past five years, which has involved the acquisition of aircrafts, routes and other facilities.

Despite getting a temporary reprieve from banks that made Rupees 600 million (\$11.5 million) available to Kingfisher from an escrow account, management has not used a single penny to pay employees' overdue salary. Management feels assured that neither the government nor the courts will take any action to seize these funds to pay the employees.

The Congress Party-led United Progressive Alliance (UPA) government, which regularly sings the praise of private airlines, has refused to take any action on behalf of the employees. The unions at other airlines have refused to mobilize their members in solidarity with the Kingfisher workers, even though many workers at these other airlines have also not been paid their salaries. For example, pilots at the government-owned national carrier Air India have not been paid since July.

So desperate have become the lives of Kingfisher's 5,600 technicians, engineers, pilots, cabin crew and booking staff that the wife of technician Manas Charkarvarthi was driven to suicide in New Delhi on October 4. In a final note she revealed the unbearable stress that drove her to take her life, writing, "My husband works with Kingfisher and they have not paid him salary for the last six months. We are in acute financial crisis and I am committing suicide."

In July last year, 30-year old Air India maintenance engineer Ritik Bhattacharya also committed suicide because of the unbearable psychological stress.

In contrast to the economic desperation facing workers, Kingfisher Chief Executive Sanjay Agarwal

saw his total compensation almost double to Rupees 40 million (\$770,000) in 2011-12. This steep increase has occurred despite company losses of \$450 million under Agarwal.

Agarwal—now the second highest paid airline executive in the country—has had no qualms about demanding that Kingfisher employees work for free to supposedly revive the bankrupt company. In a letter to the striking workers, he wrote: “We need you to help us to have any chance of getting back to normalcy...Without all of you, without exception, coming back to work, we will have no way forward.”

In open defiance of the domestic aviation regulator, the Directorate General of Civil Aviation (DGCA), which banned the airline from making any new bookings, Kingfisher has started to sell tickets on travel websites. Neither the DCGA nor the civil aviation ministry has taken any action despite this blatant flouting of its order.

The Indian elite over the past two decades has advocated privatization and airline deregulation with a religious fervor. During this period numerous airlines have gone bankrupt destroying the jobs of thousands of employees while bringing chaos and uncertainty to airline passengers. Neither this nor the ongoing debacle with Kingfisher stops the Indian corporate establishment or the media from claiming that privatization is the solution for the crisis-ridden airline industry.

At the same time, the government has used an iron fist against employees who go on strike. During the 58-day walkout by Air India pilots in June and July this year, the UPA government under the leadership of the civil aviation minister Ajit Singh sided with Air India’s sacking of 101 striking pilots.

Prior to 1992, India’s airline industry was a state monopoly. Air India was the sole international carrier while Indian Airlines was the only domestic carrier. Over the past decade, no matter which political party has come to power, the process of privatization has been accelerated. Air India and Indian Airlines have been burdened with massive debts to operate and the government has repeatedly bailed them out. This has brought the previously financially healthy airlines to the brink of bankruptcy.

Executives at Air India—which now has a total debt of \$10 billion—have given themselves handsome raises

while attacking the wages and benefits of the airline staff.

As the struggle of Kingfisher employees demonstrates, it is the workers who are paying a huge price for the bankrupt policies of the Indian elite. It is certain the Indian airline industry will face extraordinary financial turbulence in the coming years, propelling even more airline workers into struggle.



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