

# NLC workers in south India strike against privatisation

Arun Kumar, Deepal Jayasekera  
5 July 2013

Around 25,000 permanent and contract Neyveli Lignite Corporation (NLC) workers in the south Indian state of Tamil Nadu began indefinite strike action on Wednesday night in protest against the central government's plans to privatise five percent of the company. The walkout was in defiance of a Madras High Court order prohibiting the action.

Expressing the widespread opposition towards the Congress-led United Progressive Alliance (UPA) government's privatisation plans, NLC engineers also joined in the strike.

The central government's move threatens the jobs, wages and working conditions of NLC's permanent and contract workforce. The corporation is one of India's most profitable public sector enterprises. It maintains a large section of its workforce—about 13,000 employees—as contract workers, paying some of them as little as 10 percent of what regular employees receive. Many of the contract workers have between 15 and 30 years' service at the corporation.

NLC management demanded that workers not proceed with the strike, branding their action as "illegal" and warning that it could shut down power supplies in Tamil Nadu.

In an obvious attempt to prevent the NLC walkout, Tamil Nadu Chief Minister J. Jayalalithaa, who claims to oppose the NLC disinvestment, sent a letter to Indian Prime Minister Manmohan Singh, declaring that her state was ready to buy the 5 percent stake in the company. Indian Finance Minister Palaniappan Chidambaram said the central government would consider the offer, and used the proposal to urge NLC workers to cancel their strike. The Tamil Nadu state government has also mobilised a large police force in Neyveli in preparation for suppressing the industrial action.

NLC's privatisation can only be fought through a struggle against the demands of international finance capital that are being implemented by both the UPA central government and Jayalalithaa's All India Anna Dravida Munnetra Kazhagam (AIADMK) state administration. A joint struggle of all NLC workers against privatisation and in defence of contract workers should be developed into a broader offensive of the working class to defend their basic right to jobs, decent wages and working conditions, on the basis of a socialist program.

NLC permanent workers are under the control of the Labour Progressive Front (LPF), which is affiliated to the Dravida Munnetra Kazhagam (DMK), the Anna Workers and Staff Union, the All India Trade Union Congress (AITUC) and the Centre of Indian Trade Unions (CITU). The AITUC and CITU—aligned to the two Stalinist parliamentary parties, the Communist Party of India (CPI) and the Communist Party of India (Marxist) respectively.

While the NLC unions were compelled by the workers' deep seated opposition to privatisation to organise the July 3 walkout, these organisations have led their members into a blind alley.

Determined strike action last year by the contract workers was betrayed by the Stalinist-led unions after 44 days. When contacted by *World Socialist Web Site* reporters, several contract workers said that only about half of NLC's contract workforce decided to participate this time because of last year's betrayal.

The permanent workers' unions have made no appeal to contract workers to join the strike. Moreover, the Stalinist AITUC-affiliated Jeeva Contract Workers Union, the main union covering NLC contract workers, did not call on its members to join the walkout until July 2, a day before this week's strike.

The unions' opposition to the UPA's privatisation of NLC is a fraud, bound up with their orientation to the Tamil Nadu ruling elite. The Anna Workers and Staff Union, which is affiliated to the governing AIADMK, has declared that if the central government accepts Jayalalithaa's offer it will withdraw from the strike.

The Stalinist-controlled unions are playing a pernicious political role by working to subordinate NLC workers to right-wing bourgeois parties like AIADMK.

AITUC district secretary M. Sekar appealed to the Tamil Nadu government to call a state-wide *bandh* (general strike) against the central government, promoting Jayalalithaa's reactionary anti-working class administration as an opponent of privatisation. This shameless prostration before Jayalalithaa is in line with the Stalinist CPI's opportunist political alliance with the AIADMK during the state assembly elections in 2011.

DMK and AIADMK posturing against the UPA government's measures has nothing to do with any genuine opposition to privatisation or sympathy towards the fate of NLC workers. Their concerns are bound up with the interests of the Tamil Nadu regional bourgeoisie, which they represent. This is why they are desperate to prevent industrial action by NLC workers leading to an electricity crisis in the state. The NLC supplies power to Tamil Nadu and three other neighbouring states in south India. Both these parties, as partners of Indian coalition governments and ruling parties in Tamil Nadu, are fully committed to socially regressive, "free market" economic policies.

Voicing her concerns about a potential power crisis, Chief Minister Jayalalithaa's letter to Prime Minister Manmohan Singh warned: "The central government's hasty and poorly reasoned actions have left the government of Tamil Nadu facing entirely avoidable potential labour unrest which could further exacerbate the difficult power situation in the state."

The DMK was a partner of the UPA government, which is pushing the privatisation of the NLC, until last March. DMK ministers in the UPA government were party to its cabinet decision in June 2006 for disinvestment of 10 percent of the NLC.

The DMK, however, was forced to oppose New Delhi's plans only after NLC workers began an indefinite strike in early July 2006 that halved power

generation in the area. The DMK then warned the central government it would withdraw support from the UPA government if it continued with the plans. Concerned about the possibility of the NLC strike becoming a rallying point of broader movement of the workers against privatisation, the UPA government decided to put its 10 percent disinvestment plans on hold.

Now under conditions of severe economic crisis, the UPA government has decided to move ahead with new privatisation measures, in an attempt to deal with its growing fiscal deficit whilst opening new investment opportunities for international capital.

*The authors also recommend :*

India: NLC contract workers oppose union sell-out  
[5 June 2012]

India: UPA government forced to put disinvestment plans on hold  
[11 July 2006]



To contact the WSWS and the  
Socialist Equality Party visit:

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