

# Indian contract workers continue strike at state-owned energy company

Arun Kumar, Kranti Kumara  
3 October 2014

Eleven thousand contract workers at the Indian government-owned Neyveli Lignite Corporation (NLC) have been on strike for a month (see: “India: NLC contract workers launch indefinite strike”). They are defying a back-to-work order by the Madras High Court, which declared the walkout illegal three days after it started on September 3.

Seven rounds of talks between NLC management and the trade unions have not ended the dispute, which involves contract workers at the company’s three open-pit lignite (soft coal) mines and three power plants in the southern state of Tamil Nadu.

The striking contract workers make up at least half of the Neyveli workforce. They are subject to arbitrary and brutal working conditions and many are paid as little as 10 percent of the wages made by regular workers. NLC management has long ignored their demands to be hired as permanent workers.

The use of contract employees is one of the main weapons used by the Indian ruling elite to drive down the wages and conditions of all workers. Such a practice, which was once considered rare, has now become commonplace even in large and highly profitable government enterprises.

Making a mere Rs.8300 per month (US \$136) as contract workers, the strikers are demanding an immediate increase in the minimum wage to Rs.25,000 (US \$415), the wage paid to the lowest classification regular worker.

Jothi, who has worked at NLC for 16 years, told the WSWs, “Although I have been working in a power generating and mining company, my family has been living without electricity for several years.

“The reality is, around 2000 of the NLC contract workers who work in electricity generation live in the dark. We don’t even get clean drinking water. I have two children. It is simply impossible for me to educate my

children and feed them with the poverty level wage I am paid at the NLC. Now we are demanding the NLC to pay us the wages paid to the lowest rank among the permanent workers.”

Although management is seeking to deny it, the strike is having a significant impact on coal and energy production, with one report saying power output has fallen by 320 megawatts. The three power plants, which have an installed capacity of 2500 MW, supply a significant portion of the electricity used in Tamil Nadu.

The NLC is a highly profitable Public Sector Unit (PSU) and has been classified as a “Navaratna” company or one of the nine “gems” in the PSU system. In addition to the lignite mines in Tamil Nadu, the company operates another mine in Barsingsar in the northern state of Rajasthan.

NLC management has refused to reclassify the contract workers even though large numbers have worked for the company for decades. Management is in violation of an April 2013 Indian Supreme Court order directing the NLC management to regularize the workers. The high court order, which did not include any deadlines, has remained a dead letter.

The state and Indian government labor ministry officials have participated in fruitless negotiations between management and the unions, which are fragmented into 11 organizations that claim to represent the contract workers. These include the Jeeva union and the Joint Action Committee (JAC), a coalition of 10 trade unions.

The unions maintain strict segregation between contract and permanent workers inside their own organizations, thereby reinforcing the inferior status of these workers. Although the strike has lasted a month, they have refused to mobilize permanent workers in a unified struggle with the contract workers—an action that would quickly lead to the shutdown of the NLC operations.

Both the Jeeva union, which claims to represent the

largest number of contract workers, and the JAC are affiliated with the Stalinist CPI (Communist Party of India) and the CPI(M) (Communist Party of India, Marxist), which support the government's policy of offering up Indian workers as cheap labor to attract investment. Each of these unions also has a record of betrayal.

In May-June 2012, Jeeva officials were roughed up by angry workers after the union sold out their 44-day strike. (See: "India: NLC contract workers oppose union sell-out")

The only reason the unions called a strike a month ago was because they could no longer contain the anger and militancy of workers. In addition to pro forma negotiations, the unions have called several rallies, which have been aimed at concealing their own treacherous role.

WSWS reporters spoke to several workers during a rally held in front of the district collector (the chief administrative and revenue officer of a state district). One worker said, "This strike will not give us victory because the Jeeva union had already signed an agreement that it won't raise the wage hike issue until 2015. Management has declared it will not make all contract workers permanent and will not increase wages. They also insist workers return to our jobs before any serious talks begin.

"A section of workers has become demoralized since they see no sign of victory despite waging a long and difficult struggle. If some of these workers return to work without an agreement then the unions will quickly blame the workers themselves for the defeat and accuse them of treachery. The unions never call the general body meeting to explain the development of talks with the management. They don't even bother to inform striking workers about this or that agitation they organize now and then. We come to know about them only from the television."



To contact the WSWS and the  
Socialist Equality Party visit:

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