

# Ashok Leyland autoworkers in India strike to demand higher bonuses

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About 1,800 autoworkers at the Ashok Leyland plant in Ennore, Chennai, the capital of the southern Indian state of Tamil Nadu, are conducting a sit-in strike to demand higher bonuses. The action, which began last Friday, is part of the growing resistance of autoworkers to a rolling wave of plant closings and mass layoffs throughout the global auto industry amid falling sales and signs of another worldwide economic downturn.

Workers are demanding a 10 percent increase in bonuses and have rejected the company's offer of 5 percent, which does not come close to matching higher cost of living expenses. After the collapse of talks last Wednesday, the Ashok Leyland Employees Union (ALEU) was forced to call the action in an effort to appease the anger of rank-and-file workers.

Chennai-based Ashok Leyland is the second-largest heavy commercial vehicle maker in India. During the 2018-19 fiscal year the company saw its profits rise by 21 percent to 21.95 billion rupees (\$US309 million) from 18.14 billion rupees (\$255 million) the previous fiscal year.

The strike takes place as transnational corporations are seeking to force autoworkers to pay for the growing crisis of the auto industry in India and around the world. Having faced the worst sales drop in a decade, car companies in India have destroyed about 350,000 jobs in recent months and have threatened to wipe out one third of the current 3 million assembly and auto components job. The country's largest car manufacturer, Maruti Suzuki, has halved its production targets, and two days ago the company announced that it would not renew the contracts of 3,000 temporary workers at its factories.

"This is a part of the business; when demand soars, more contract workers are hired and reduced in case of low demand," Maruti chairman R. C. Bhargava

declared to TV news channels.

This is a part of a global jobs massacre being implemented in auto plants throughout the world, including those in the US, Canada, China, Mexico, Germany and India.

Autoworkers in China, South Korea, the US, Brazil, Mexico, Germany, the UK, Romania, Turkey and Hungary as well as in India have fought pitched battles over the past decade to defend their jobs and conditions against the assaults of companies. Thousands of workers at the Maruti Suzuki car assembly plant at Manesar, Gurgaon in the northern Indian state of Haryana waged a series of militant struggles, including strikes, protests and occupations against sweatshop labor conditions and the contract labor system, in 2011. They have been subjected to a brutal company-government vendetta, which resulted in the life imprisonment of 13 workers on framed-up murder charges.

In order to defend the profit interests of crisis-ridden auto companies, the Tamil Nadu state government led by All India Anna Dravida Munnetra Kazhagam (AIADMK), declared in late June that the auto component industry was a "public utility service," effectively banning strikes in the sector. Tamil Nadu is a major location of auto component industries—with Chennai known as "India's Detroit"—and accounts for more than 30 percent of auto parts exports from India. Facing widespread opposition from workers to this blatantly anti-democratic measure, the Madras (Chennai) High Court issued an interim order on August 1 temporarily halting the implementation of the state government's decision. A petition to stay the decision had been filed by Pricol Thozhilaler Otrumai Sangam, the union at auto parts maker Pricol in Coimbatore, Tamil Nadu. However, the court has set

August 29 for a further hearing in the case.

Although its profits rose sharply last year, Ashok Leyland has begun experiencing a decline in sales and profits. In the quarter that ended in June, its volume declined by 6 percent. The company's sales, revenue and EBITDA (earnings before interest, taxes, depreciation and amortization) are expected to decline by 7.5 percent, 5-7 percent and 19 percent respectively from the same quarter last year.

Like its counterparts in India and internationally, Ashok Leyland has responded to the impact of the global decline of the auto industry by attempting to place the full burden of the crisis on its workforce. The company has announced plans for temporarily closing down factories in Pantnagar, Uttarakhand for six days to cut production due to declining demand.

Ashok Leyland management has it was seeking to cut costs by around 5 billion rupees (\$70 million) to mitigate the impact of the sales drop. It has introduced a Voluntary Retirement Scheme (VRS) and Employee Separation Scheme (ESS) for its permanent employees to eliminate higher-paid full-time workers. Under these schemes, severance packages will be capped at 3 million rupees (\$42,170) and 6 million rupees (\$84,340), according to seniority, a relatively large sum by Indian standards. Non-permanent workers, however, can be fired without any compensation.

Like Maruti Suzuki and other automakers, Ashok Leyland maintains a large number of "non-permanent" workers who can be hired and fired at will. According to the company's annual report, it employs 16,910 temporary, contractual and casual workers, while its permanent staff stands at 11,966. Throughout the auto industry, as many as 70-80 percent of the workforce are contract workers, according to industry spokesman M. S. Unnikrishnan.

The union at Ashok Leyland, the ALEU, has limited the current action to demanding a higher bonus while ignoring the broader danger to the jobs and conditions of workers under the company's VRS and ESS plans. Looking for some kind of face-saving deal with the company, one union official said, "We will continue our protest till they come forward with an amicable solution." In an effort to get ahead of the militancy of workers, the union has warned management that given the failure to come up with a "friendly call to the issue, we will be forced to intensify our agitation next week

by starting a hunger strike."

While workers are no doubt prepared to endure harsh sacrifices to defend their livelihoods, the union hopes to dissipate workers' anger with futile protests to management. In the end, however, the unions are allied with Prime Minister Narendra Modi's nationalist "Made in India" campaign to attract foreign investment by offering up Indian workers as cheap labor. This whole policy is lying in tatters as hundreds of thousands of workers lose their jobs due to the world crisis of the capitalist system.

What is needed is the mass mobilisation of autoworkers in India as a part of a globally integrated struggle by workers in the industry to defend the right to jobs and decent standards of living for workers all over the world. This must be combined with the fight for the transformation of the global auto industry in a public utility, collectively owned and democratically controlled by the working class as part of the fight for a planned world socialist economy.

This means building new organizations of struggle—rank-and-file committees to unite workers throughout the industry—and rejecting the nationalist and pro-capitalist policies of the ALEU, Stalinist-controlled unions and so-called "independent" unions.

The ALEU is affiliated with the ostensibly independent Working People Trade Union Council, led by R. Kuchelar, a veteran union bureaucrat and former leader of the Madras Labour Union (MLU) at the Buckingham and Carnatic Mills (B & C Mills), a massive textile mill that dated back to the British colonial period. The MLU played a major role in diverting opposition of B & C Mills workers to company plans to shut the mill, paving the way of its closure in 1996 with the loss of thousands of jobs.



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