

# Hundreds of thousands of Indian auto workers face sackings and wage cuts

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More than 365,000 auto industry workers' jobs—350,000 at auto-parts manufacturers and dealers and 15,000 in vehicle assembly—have been destroyed in India since April in response to falling sales. In August, the industry slumped for the 10th straight month with sales of passenger vehicles dropping by 30 percent and car sales by 41 percent, the steepest fall in two decades.

Some commentators are predicting that about half a million jobs will be slashed in the coming months. This attack is part of an escalating global assault on the jobs, wages and conditions of auto workers in the US, Canada, Mexico, Europe and Asia.

The auto industry in India employs about 37 million workers directly and indirectly. Manufacturers include Japanese and Korean companies (Maruti Suzuki, Honda, Toyota, Hyundai, Nissan and others), US and European automakers (GM, Ford and Fiat), and Indian manufacturers, such as Tata Motors, M&M, Bajaj and Hero Motor Corporation.

The downturn has engulfed India's main auto manufacturing areas—the Gurugram-Manesar-Bawal automotive belt in northern Haryana state, Sriperumbudur, Oragadam and Maraimalai Nagar near Chennai in southern Tamil Nadu, and Pune in western Maharashtra—and auto parts manufacturers scattered across India. Hundreds of laid off internal migrant workers from impoverished Indian states, such as Bihar, Jharkhand and Uttar Pradesh, who were previously employed in the Indian auto industry, are returning to their home villages and cities.

\* Maruti Suzuki, the Japanese joint venture, has cut 6 percent of its temporary workforce in Manesar and Gurgaon and declared two days in September as “no production days.” In July, production was reduced by 30 to 35 percent. In August the company's total sales (domestic and exports) fell to about 106,000 units, a

drop of more than 32 percent from the 158,000 units it sold in the same month last year.

Over the past 12 months an estimated 50,000 workers have lost their jobs in the Gurugram-Manesar-Bawal industrial belt. The 3,000 automotive parts plants that supply to large auto companies in the region have reduced production by about 30 percent.

\* Tamil Nadu accounted for 45 percent of India's motor vehicle exports and 33 percent of auto parts production in 2017–18. The state's capital Chennai, which is known as the “Detroit of Asia,” is said to have the capacity to manufacture a car every 20 seconds and a commercial vehicle in 90 seconds.

While reliable statistics are not available on the auto industry layoffs and job cuts in Tamil Nadu, the *Hindu* newspaper reports that over 10,000 workers have lost their jobs in recent months. Ashok Leyland, India's second largest producer of commercial vehicles, is suspending production for five to eighteen days at its five plants, two of which are in Tamil Nadu.

In terms of sales, India's automotive sector is the fourth largest in the world and the most affected by the slowdown in the Indian economy. The industry has an approximate 50 percent share of India's manufacturing sector gross domestic product and 7 percent of the country's total gross domestic product.

A recent statement from the Society of Indian Automobile Manufacturers (SIAM) blamed India's slowing economy and high ownership costs, including increased road taxes and safety regulations and high interest rates, for the falling vehicle sales and demanded concessions from the government.

Prime Minister Narendra Modi's government is desperately attempting to arrest falls in India's gross domestic product growth rates by lowering interest rates. The Reserve Bank of India has cut the official

interest rate four times this year, reducing it to 5.4 percent. The government has also indicated that it will attempt to boost demand by lifting a ban on government departments buying new cars.

There is no redress, however, for the tens of thousands of sacked auto workers. Contract auto workers, who only earn between 6,000 to 8,000 rupees (\$US86 –\$US115) per month, face a dire situation, as will permanent workers as the auto industry crisis deepens.

Modi is aware that his government is sitting on a social volcano and is fuelling Hindu communalism in an attempt to divert the deepening anti-government sentiment. The government is maintaining its anti-democratic military lockdown in Muslim majority Jammu and Kashmir state, and in Assam state it is planning to round up hundreds of thousands of people by fraudulently claiming they are “foreigners” taking Indian jobs.

Indian automotive workers have begun to challenge their big business employers and are demanding higher wages and improved working conditions. In the Oragadam special economic zone, around 500 Motherson Automotive Technology and Engineering (MATE) workers launched indefinite action on August 26, demanding recognition of their newly-formed trade union.

On July 18, more than 1,000 auto workers from the Gurgaon-Manesar industrial belt demonstrated demanding freedom for the 13 auto workers who were jailed for life through a monstrous frame up by the Indian state and Maruti Suzuki management. The 13 workers, including all 12 executive committee members of the newly-formed Maruti Suzuki Workers Union, were convicted on trumped-up murder charges in 2017 because they dared to fight against the harsh working conditions of contract auto workers.

The assault on Indian auto workers is a part of the global attack against workers in the auto industry. Currently over 46,000 General Motors (GM) workers are on strike in the US, after 155,000 auto workers voted overwhelmingly to fight the conditions imposed by their corporate auto bosses. Last week in South Korea, 8,000 GM workers held a two-day strike against a wage and bonus freeze.

Indian auto trade unions are working hand in glove with the auto bosses to impose the company demands

on workers.

Kuldeep Janghu, general secretary of the company-controlled and state-sanctioned Maruti Udyog Kamgar Union, for example, told the media that Maruti-Suzuki management “should stop hiring temporary workers instead of sending contractual staff, who have been employed for a long time, on leave.”

Centre for Indian Trade Unions president A. Soundararajan told *NewsClick* that management could “terminate these [casual and contract] workers at ease, because the casual and contract workers are not permitted to unionise.” In other words, the Stalinist Communist Party of India (Marxist) controlled union federation has no opposition to escalating attacks on auto workers and is systematically isolating autoworkers’ attempts to fight the company attacks.

Indian workers must reject all union collaboration with the auto bosses and the government and take the initiative to build rank-and-file factory committees to develop a unified national and international movement of auto workers. The defence of jobs, a living wage and decent working conditions for Indian auto workers is bound up with the fight for their unity with their class brothers and sisters in auto companies around the world.



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