

Repression of Workers' Struggles in Chhattisgarh

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Contract workers in cement plants in Chhattisgarh, organised under the banner of the Chhattisgarh Mukti Morcha (Mazdoor Karyakarta Committee) and its affiliate union, are demanding regularisation of work, due payment of wages and other basic rights denied by the multinational companies operating in the cement industry.

It may be recalled that in early 1990, the Chhattisgarh Mukti Morcha, under the leadership of Shankar Guha Niyogi, initiated the process of organising thousands of contract workers facing extreme injustice and exploitation in the private ancillary industries of the Bhilai Steel Plant. It also needs to be recalled that these struggles were met with retrenchments, arrests, violence and repression by the industrialists and the erstwhile Bharatiya Janata Party-led Government of Madhya Pradesh. A report then by the Peoples Union for Democratic Rights (PUDR)¹ concluded that government agencies

are at best indifferent to the workers' plight and at worst identify themselves completely with the managements' point of view. Thus the onus of ensuring the implementation of the labour laws lies with the worker.

It culminated in two major violent events: the assassination of Niyogi on 28 September 1991, and firing by the police on 1 July 1992 on a non-violent month long protest by workers and their families in which at least 17 people died and many more injured. Following Niyogi's assassination a Citizen's Committee² inquired into the workers' movement and suggested ways to establish peace and safeguard civil liberties and democratic rights in the region. The report said,

It is indeed a sad reflection on the polity and society we live in today, that the right to organise for collective action so as to ensure the preservation of democratic institutions and a just share in the fruits of development for various sections of our population, recognised as a fundamental right at the dawn of our freedom, has now come to be treated as a law-and-order problem. The democratic institutions have become the instruments of the powerful to crush the legal aspirations of the vast majority of poor; and if the downtrodden are not to conclude the meaninglessness of non-violence, the State must respond immediately and positively, lest the erosion of faith becomes irreversible.

These observations, made two decades ago, remain just as relevant today. The exploitation of contract workers in the Bhilai industrial area remains largely unaddressed till date. Further, there has been no change in the response of the industrialists and the government with regard to addressing the legal rights and demands of the workers; both continue to label their struggles as law and order problems and crush their organisations, rather than address the issues raised by the workers, as the current situation indicates.

While the condition of contract workers remains unchanged, the economic context of industrialisation in Chhattisgarh has changed drastically. Starting with the economic liberalisation of the 1990s and surging after Chhattisgarh was formed in 2002, the influx of global capital into the state, by way of extractive industries such as mining, power generation and cement manufacturing, has been voluminous. Compared to other Indian states, Chhattisgarh boasted of the highest GDP growth rate (11.49%) in the year 2009-10 and has consistently

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attracted one of the highest amounts of investment proposals in recent years, ranking as the state with the highest proposed cumulative industrial investment between August 1991 and December 2010.³

Chhattisgarh is poised to become a cement manufacturing hub in India. Home to one of the largest limestone deposits in Raipur district, Chhattisgarh currently has nine large cement manufacturing plants and 12 minor ones, amounting to a total annual production of 13.5 million tonnes. The state has signed memoranda of understanding (MOUs) for another 34 large cement plants, and is expected to add another 100 million tonnes per annum of manufacturing capacity (over half of India's total current production). After India lifted all controls on pricing and distribution of cement in 1989, and allowed 100% foreign direct investment in the cement industry, the world's two largest cement manufacturers – Lafarge of France, and Swiss multinational Holcim have acquired plants in India. Holcim, after its takeover of Associated Cement Companies (ACC) and Ambuja groups, is the second largest cement manufacturer in India, and announced in January 2010 that it planned to spend \$1.1 billion on expansions. In the company's own opinion, India was an important component of its global strategy, and it was making aggressive plans to increase its presence in this "high growth market", and ACC and Ambuja had a key role to play in meeting this demand. Given this highly lucrative cement market in the country, it is ironic that the plant of the public sector-owned Cement Corporation of India at Mandhar, Raipur, has been declared sick.

Struggles to Enforce Labour Laws

Pragatishel Cement Shramik Sangh (PCSS) was formed in the cement plant of Associated Cement Companies (formerly owned by the Tatas) Jamul in 1989-90, where it successfully organised a substantial section of the contract workers engaged in loading and unloading to obtain wages on par with the regular workers as mandated by the Cement Wage Board agreement. Efforts at unionisation at Modi Cement (now Ambuja-Holcim) at Rawan in 1990-91 were suppressed. The present unionisation at Ambuja-Holcim began in

2009-10. PCSS currently has a total membership of around 12-1,500 workers.

In the cement industry, as in other industries, contract workers have few rights, and are, for the most part denied even the legally mandated minimum wages, provident fund benefits and basic safety equipment. Even though the Cement Wage Board Award, a tripartite agreement between the government, the Cement Manufacturer's Association and the central trade unions in force since 1978, prohibits the use of contract labour in all, except a few cement manufacturing operations, in actual practice in Chhattisgarh, the use of contract workers is rampant; the proportion of permanent workers is estimated to be barely 10%.

Legal Battle in ACC-Holcim, Jamul

Despite these conditions, the contract labourers in ACC Jamul have been fighting a remarkably heroic battle under the PCSS for the last two decades for their regularisation and the implementation of this award. In 1989, after a 56-day strike and indefinite hunger strike by Niyogi, the coal and gypsum loading-unloading workmen started getting cement wage board rates. In July 1992, after 17 industrial workers including three from ACC Jamul lost their lives in the brutal police firing on a Rail Roko Satyagraha during the historic "Bhilai movement" when workers of dozens of factories joined together against the illegal contract system, ACC was forced to regularise about 120 casual workers.

In 2000, as a consequence of the recommendations of the Bhilai Police Firing Inquiry Commission, the state government referred the dispute for regularisation to the State Industrial Court. Later, the management started a vicious attack on workers' rights by removing workers from the reference list by illegal retrenchment, denying medical facilities and simply denying work to force them to opt for "voluntary" retirement. Even as the union struggled and succeeded, amidst endless adjournments, to obtain an interim order from the court not to change working conditions, the management managed to coerce about 300 workers who had been working for the past two-three decades in the cement production processes to resign. But many resolutely stuck on. In 2005, the company silently changed hands to Holcim. Finally, in

February 2006, the industrial court reached, in its own words, "the inescapable conclusion" that the 573 workmen deserved to be regularised since their contractual employment was a paper arrangement and the contractors mere name lenders. Those who had been dismissed or coerced into leaving were directed to be reinstated by the company. The company was directed also to implement the Cement Wage Board Award.

Predictably, the company appealed in the high court for a stay on the award. While granting the stay, the high court directed the company to pay "full wages last drawn" to employees whose reinstatement was being stayed, during the pendency of this appeal.⁴ However, the company interpreted this "full wages last drawn" as payment of two, three, or five days of wages per month – which is what the company was paying the workers towards the end of their tenure, in order to coerce them to leave. Challenging the company's interpretation of "full wages last drawn" as violating the spirit of the Act – for in no way can two or three days wages be called "subsistence wages" – and demanding a humane interpretation that it means a full month's wages at the rate at which wages were last drawn per day, the union filed a writ petition in the high court. However, neither the single judge nor the division bench in the High Court has been able to offer any interpretation of this crucial phrase "full wages last drawn" till now. The appeal before the Supreme Court is still pending. Meanwhile, on 22 March 2011 the high court again upheld the industrial court's ruling that the contracts with the workers are "sham and bogus" and directed to company to regularise the workers who are still working. Despite this, the company is refusing to implement this high court order, which has led the union to launch an ongoing indefinite dharna in Bhilai. On 24 April this dharna will be completing three weeks.

Struggle at Ambuja-Holcim

The contract workers' struggle in the Ambuja-Holcim plant at Rawan is unique in the support that they have drawn from the local farmers, who have also come together to draw attention to the damaging impact of such cement plants on their lands and livelihoods. Since mid-2010 PCSS as well as the people living in the vicinity of the cement

plant at Rawan have made written submissions to the management, the governor, the district collector, and the labour commissioners highlighting the violation of labour laws relating to contract workers and the problems of the villagers in the vicinity of the plant, and have sought redressal.

It is only due to the efforts of PCSS at Ambuja Cement Plant that in 2010 the company agreed to pay minimum wages to its contract workers. Before the struggle, the company was even deducting the cost of boots and safety goggles from the paltry wages it paid to its contract workers. However, contract workers are still not getting attendance cards – the name of the principal employer is not shown on any document given to the workers, nor are the workers given the statutorily prescribed documents that can prove that they are working for Ambuja. They are also not getting provident fund, employees' state insurance, and bonus benefits.

Farmers in Baloda Bazar, under the banner of Udyog Prabhavit Kisan Sangh are strongly opposed to the setting up of new cement plants. These farmers have faced displacement with paltry compensation and there is an almost universal violation of the state's rehabilitation policy promising permanent employment to one family member per affected family. Of the 38 farming families of village Rawan whose lands were occupied by the company 25 years ago, only 20 have received some form of compensation. The company has also failed to fulfil its promises of providing local employment and is accused by the villagers of illegally encroaching upon their *nistari* lands (village commons), such as grazing grounds, playing grounds, grounds used for sanitary purposes, roads, canals, and village ponds. The company has encroached upon the common grazing land to build a helipad/airstrip; in Bhadrappalli, and is building a colony and school on the village lands. Villagers are facing severe water shortages for irrigation purposes since the water is getting diverted for industrial houses. In addition to exploiting natural water bodies within the plant area by tube wells, the company also procures about 400 tankers of water from the farmers' private tube wells. This continuous, unchecked, uncontrolled exploitation of underground water has resulted in water level

receding from open wells and drying up of ponds. Despite protests by the locals, no one from the company has bothered to look into their grievances. In fact the earlier proposal for constructing several annicuts for irrigation purpose was turned down by the government recently on financial considerations. On the other hand, recently, a dam built for irrigation in the Kukurdih village was "acquired" for the purposes of the company, Ultratech Cement.

Response of Ambuja-Holcim

Ambuja-Holcim has responded to the organising efforts of the union by victimising activists and contract workers associated with the union. In October 2010, the management filed cases against 20 activists and demanded that orders be passed prohibiting them from assembling in the vicinity of plant, from holding dharnas, gheraos, etc, claiming that they had no right to interfere in production and transport activities of the cement plant. Some of the charges made against the activists are: that these 20 people were misleading the people in the surrounding villages by talking about employment, wages, and land issues; that they regularly instigated the people against the cement company, because of which the "industrial peace" in the area was being disrupted; that they organised sudden gheraos, *chakka jams*, and forcibly stopped employees and workers, with intention to economically hurt the company, and interfere with its "constitutional rights to trade and business". The company also made multiple accusations that the union leaders "confused" the people by distributing pamphlets containing "inflammatory and misleading information against the cement plant", and spreading fear among the employees and workers.

The management also made a written response in October 2010 to demands raised by the workers and affected villagers, in which it claimed that it had, in the last 23 years of its operation, directly or indirectly given priority to employment for local people; in addition priority has been accorded to development of the local areas. The company refused to recognise PCSS as a union, and denied flouting labour laws or dismissing workers. It went on to say that this "so-called union" PCSS, had been working with undesirable elements to obstruct employees and officers and that they have

indulged in the abusing and manhandling of employees. According to the company,

In light of these facts, it was clear that the petition of the workers and villagers was given to merely disturb the industrial peace and development in the area. *That if the applicants had some genuine complaints then the only correct way out was to seek legal redressal through the labour court* (emphasis added).

Yet, it is seen that the management was not cooperating with the labour department to resolve the labour dispute. Between July and September 2010 the assistant labour commissioner (ALC) had summoned Ambuja several times for resolving the labour dispute, but it did not turn up. That, "in a democratic polity such as ours, if capital has the right to conduct business without let or hindrance then labour too has a right to a living wage, to a life of dignity and the right to freedom of speech and association",⁵ has been expressly ignored by the company.

Between September and November 2010, 52 workers including one woman, were refused work and entry into the plant. The workers were not issued any charge sheet or verbal warning prior to these actions. Complaints were filed by the PCSS and five meetings held in Raipur with the ALC up to March 2011. At the end of the conciliation proceedings on 2 February 2011 the ALC issued orders to the management to take back the illegally locked out workers, ensure that all labour laws are implemented – especially that the workers are paid at least minimum wage and bonus, etc. These orders were to be implemented within one month; however, in the intervening month, the management illegally locked out and refused work to another eight workers; and the ALC has been helpless, or unwilling, to take any action against the company.

The Larger Context

In the present situation of a global financial crisis, when efforts to bring in "austerity cuts" and withdraw labour rights in Europe and the UK are being resisted by massive demonstrations of workers and students, multinationals with deep pockets are zeroing in on mineral-rich areas like Chhattisgarh, relying on their financial clout to manipulate the bureaucracy and political establishment. Holcim has already shut down five Spanish plants, and is planning to close down operations in several US plants. This Swiss multinational pays its European

workers \$8 an hour but their Chhattisgarhi counterparts only \$2 a day. Siphoning off raw materials and violating environmental standards and labour laws with impunity are more the norm than exception.

Given such widespread violations, PCSS is trying to unite all workers of the cement industry across union lines under the banner of the “Chhattisgarh Cement Shramik Vikas Manch”. On the previous May Day, contract workers from several plants held demonstrations and gate meetings and distributed pamphlets. A noteworthy feature of these May Day demonstrations, one that the management was at pains to

suppress, was that the workers of one plant participated in the actions in other plants. PCSS and the CMM (Mazdoor Karyakarta Committee) have been expressing active solidarity with the anti-displacement movements in Rajnandgaon (against a proposed special economic zone), Raigarh, Jashpur and Dharamjaigarh (where large-scale displacement is underway for mining). They have also participated actively in the satyagraha for the release of Binayak Sen, and against the widespread forcible internal displacement of adivasis of Bastar to which he drew the attention of the nation. It is not surprising that PCSS and the

CMM have become quite an eyesore for the state of Chhattisgarh.

NOTES

- 1 *Tall Chimneys Dark Shadows: A Report on the Lives and Struggles of Workers in Bhilai*, PUDR, Delhi, June 1991.
- 2 *Behind the Industrial Smokescreen: Citizen's Committee Report on Industrial Unrest in Bhilai*, March 1992, p 56.
- 3 Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, *Annual Report 2010-2011*.
- 4 This is a welfare provision under Section 17B of the Industrial Disputes Act, which allows those workers who have already proved their case in one court of law to avail of subsistence wages while their employer appeals the reinstatement order, and this payment is unaffected by the final outcome of the case.
- 5 *Peoples' Tribunal on Bhilai Police Firing: A Report*, 1 July 1993, p 93.