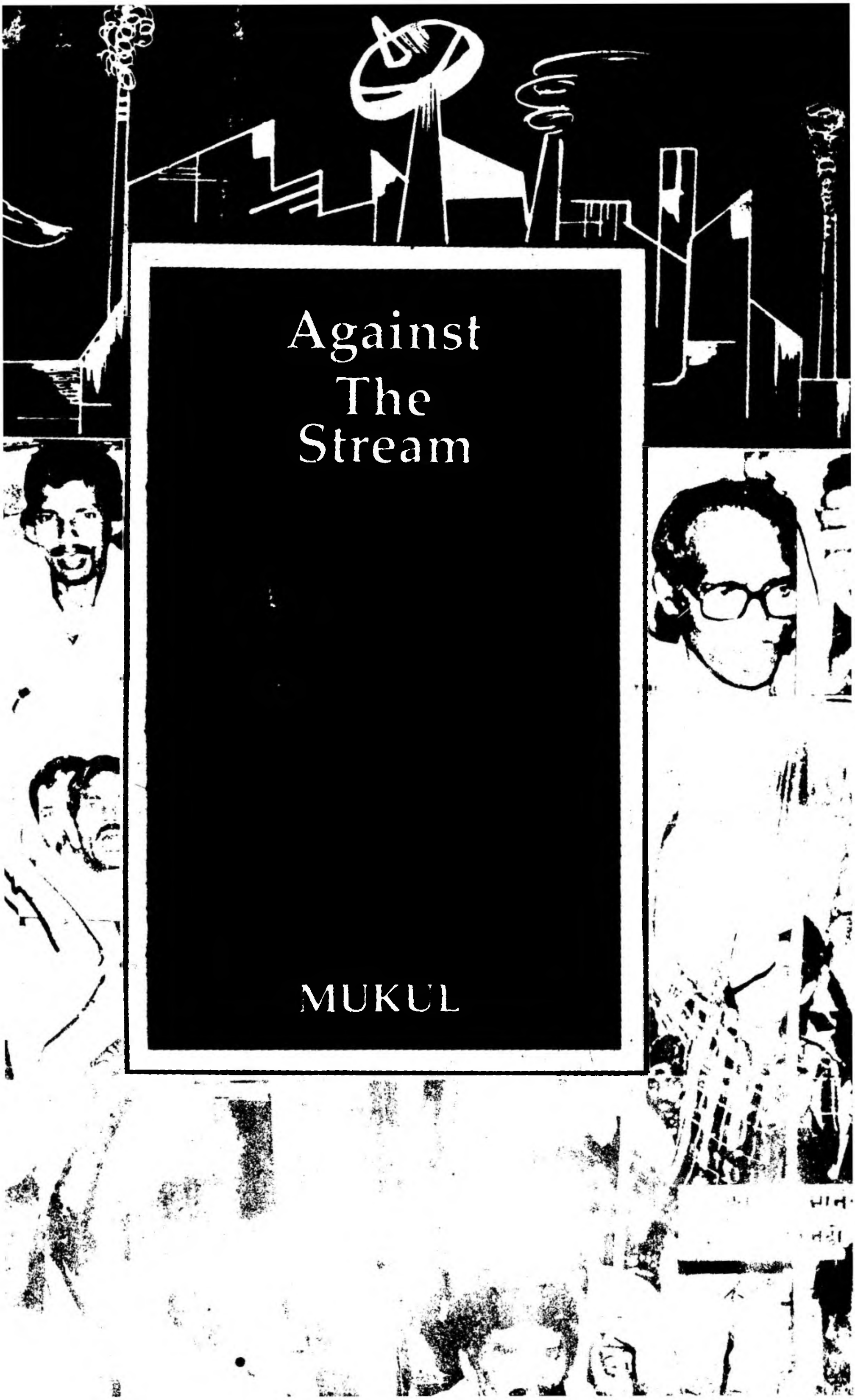

Against The Stream

MUKUL

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Dedicated to the memory of
Safdar Hashmi
&
Shankar Guha Niyogi

"The murders of Safdar Hashmi and Shankar Guha Niyogi have a common context and continuity...Yesterday it was Safdar, today it is Niyogi and tomorrow it can be D. Thankappan, Shamsul Islam, Suneet Chopra, Brinda Karat or Megha Patkar, unless we all come together to fight the onslaught of new economic and developmental policies of the ruling classes."

Acknowledgements

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Contents

I
Introduction

The present study is an attempt to show that the current, increasingly crisis-ridden Indian economic situation requires a particular concentration of efforts on the part of political movements articulating the interests of the working class, in order to rebuff Indian ruling class's offensive, under the umbrella of world bank, IMF, multinational companies and developed countries. Since this offensive is proceeding in both ideology and practice, the rebuff to it must evidently be put up in both these spheres.

The facts of present economic crisis and subsequent policies of various kinds in India today, allow us to speak of a far-reaching, all-embracing crisis of Indian ruling classes, with serious consequences for all the working people in the country. The crisis has worsened to an unprecedental level, leading to a deterioration in the position of a substantial part of the working class, peasantry and small farmers, intelligentsia, women and urban and rural middle classes. The rise in cost of living and growth of unemployment, decline in real wages, deterioration of the workers' other working and living conditions are all social consequences of the crisis, reflecting the anti-people nature of the present system.

The most striking spot of the present ruling forces—which are the prime instigators of the onslaught—is the total unsuitability of the prescriptions they propose, to the real requirements of present day situation.

Market economy; decontrol and delicensing; privatisation of the public sector; withdrawal of subsidies, whether on food, fertilizer, public transport or any other item essential for the common masses; freedom for multi-nationals; drastic cut in employment and social security schemes; etc. as a rule, have been borrowed or are being imposed by the leading neo-colonial forces of the international economic order and have repeatedly, over almost three-four decade and in one after another developing countries, demonstrated their complete unfitness. Of course, they cannot be successful today.

The proponents of the new economic policy are counting on the disorientation of a substantial part of the working people and their organisation, either physically or ideologically. Deception of the masses is the guarantee of their continuation. The danger contained in present trend is determined not only by their immediate direct significance, but also the fact that they are creating the conditions for a further massive onslaught on people's democratic rights, for an authoritarian restructuring of various institutions and in that process, surrendering the sovereignty and independence of the country.

The new economic policies will not work for the masses. They will inevitably alienate the vast majority of the masses in the near future. Under these conditions, it is very important that the expression and anger against present prescriptions should not be sublimated in extreme negatvism of a right-wing politics concealed in 'Swadeshi' or 'Ram Rajya' slogan; but should promote the development of a class-social-alternative orientation.

Claiming restructuring, modernisation, development, and striving for mass support, the present economic policies are in fact, extremely anti- social. Irrespective of its final result, the present economic and political strategy is leading to unemployment, retrenchment, poverty, hunger, unrest, suppression at one pole; and capital's offensive, accumulation of wealth, free for all-like situation for MNCs and private sector at the other. Even so, the anti-social character of the economic policy is a sword of Damocles hanging permanently over the present ruling class also.

It is also important to take account of the fact that the increasing exposition of bankruptcy of the present economic policy, while being a symptom of a disease, is also fraught with some serious dangers. Having assumed the levers of power and deep positions, the World Bank, IMF, MNCs, developed capitalist countries and their Indian counterparts and conservatives are not ready to let them go without a fight. Sensing a weakening of their positions, they will begin to increasingly make active use of direct force, leading further and further to repression within the country and debt trap, crippling the economy under the international monetary and neo-colonialist forces.

It is also obvious that a major form of resistance to present neo-colonial onslaught is the elaboration, presentation and realisation by the working class and other progressive forces, of alternative programmes for solving the current and long-term problems facing Indian industry and economy, in view of intensification of the crisis of present path of economic development. Of primary significance, under modern conditions, are programmes for an alternative restructuring of economic organisations in the interests, not of minority or World Bank-IMF-MNC-affluent countries combine, but the whole of society, without serious social negative effects for the working class and all the working people; maintenance and expansion of the socially necessary employment level; protection and expansion of the system of social security; consolidation of democracy by involving the working people in the process of self-government; achievement of self-reliance, equality and environmentally sound, sustainable development; and consolidation of national independence and sovereignty. Thus, these alternative programmes deserve a thorough discussion and elaboration. Alternative programmes also cannot be searched out in a single, unified, command way. They must be diversified according to the needs of specific conditions, locations or organisations. And the trade unions are now trying to take up this challenge.

2
Central Public Sector

Employees Struggle for Alternative Plans

"Employees' Plan To Turn Around National Projects Construction Corporation Limited" (NPCC) is the new and noticeable feature of the growing movement of Central public sector workers against the onslaught of the new economic policies. Since the past one year, NPCC Employees Joint Forum (which constitutes all other unions or associations in the Corporation, like All India NPCC Employees Federation, NPCC Limited Workers Union of India, NPCC Staff Association, NPCC Officers Association etc.) has been struggling for a powerful alternative. It's memorandum and plan submitted to the concerned Ministry of Water Resources and other Ministries last year, states in clear terms, "We, the Employees of NPCC Ltd; present for acceptance by the Government of India this viability plan for revival and turn around of NPCC Ltd. The Plan seeks least financial assistance from the Government and is based upon a fundamental change in the system of management to include employees control on and involvement in key decision making."

It's various innovative methods of protests, coupled with conventions, demonstrations, rallies etc, have shook the other central public sector construction companies as well and now they are also ready to provide an alternative to the government plan of dismantling and privatising the public sector construction companies. Now the workers of other public sector companies, especially fertiliser companies like PDIL, HFC and FCI are also ready to revamp and rehabilitate the existing units through a number of measures.

But the workers' alternative apart, the Government seems to be committed to move in a different direction altogether, with several developments having taken place in a haphazard and fast pace in the realm of public sector policy : As per the Sick Industrial Companies (Special Provisions) Act 1985, all sick industrial companies in the public sector are liable to be referred to the Board for Industrial and Financial Reconstruction (BIFR). Based on the performance upto the year 1990-91, there are 54 such sick industrial public sector undertakings and the total number of regular employees in these enterprises is 3.33 lakhs. And the reference to BIFR has started recently only. The Special Tripartite Committee recommended that tripartite committees be revived in respect to the industries in which the number of sick units was large, such as cotton textiles, engineering, jute, chemical, road transport and electricity generation and distribution industry. The government had set up six industrial panels under the Special Tripartite Committee. And these panels function off and on. The parliamentary consultative committee of Ministry of Labour has also constituted a parliamentary committee to look into the problems of sick public sector units and to suggest redressal measures. The Government of India has announced the constitution of National Renewal Fund (NRF) and also started the process of selling the shares of public sector to multinational corporations. Earlier, a committee of the Planning Commission, headed by Mr. V. Krishnamurthy, began a detailed scrutiny of the problems of unviable PSUs.

But in all these exercises there is very little scope for the acceptance of workers' point of view. The manner in which Government of India and its various committees are going ahead makes it clear that while engaging trade unions in a dialogue on the future of sick public sector companies, the government is going ahead with all it's policy measures, making a mockery of tripartite consultation, and is also resorting to a policy of suppression of public sector workers. Even though the special tripartite committee has not yet completed it's exercise, the government has already begun referring sick PSUs to the BIFR. Even when the entire trade union movement in the Special Tripartite Committee was opposed to the concept paper on National Renewal Fund, the Government of India has gone ahead with their proposal and unilaterally announced the constitution of NRF.

How little the government cares for the public sector employees in the country is also clear in its treatment of representative employees' bodies. The President of National Confederation of Officer's Association of Central Public Sector Undertaking, which represent over 1.5 lakh officials, narrates this callousness, "The Prime Minister writes, on 6th January 1992 to the National Confederation of Officers Association of Central Puplic Sector Uundertakings that they would be given 'ample opportunity to contribute creatively and constructively', yet such an assurance is not good enough to get an appointment even with the Secretary, Department of Public Enterprises. In the same letter the P.M. states that 'our intention is that each unit is looked at individually and thoroughly. There can be no generalisations'. Yet generalisations are made and wholesale references are being made to BIFR." In this repressive scenario NPCC Employees Joint forum initiated a new course of struggle.

I

NPCC : Background and Some Present Trends

Construction activity engages the third biggest work force after agriculture and handloom weaving. The main agencies engaged with construction activity are : Government agencies like Central and State PWDs, irrigation, power and other departments; Public Sector Companies like NBCC, NPCC, IRCC, HSCL, EPI, Bridge & Roof, Breithwart, Ircon, Jessop;

Big private firms; contractors, sub-contractors, petty contractors; and household activity. In fact, Public sector was small in this area and it had begun to grow only in the 60s and 70s because of the pressure of growing construction activities.

NPCC, at present under the administrative control of Ministry of Water Resources, was established in 1957. During these years, NPCC has constructed more than 100 projects within and outside the country. These include civil works on over a dozen major dams, 14 barrages, 7 hydro-electric power houses, 14 thermal power houses, 6 major tunnels, the only metro rail in the country, nearly 20 buildings and township projects and two of the biggest steel plants in the country, in addition to a score of other projects. According to the profile of NPCC, the company has near about 5500 manpower consisting of 800 technical and managerial executives and over 3700 skilled workforce supported by staff. And the public sector has a large fleet of plant and equipment suited for construction works, having a total purchase price of over 58 crores.

NPCC was financially healthy and growing till 1986. From a turnover of 53 crores in 981-82, the company grew to an annual turnover of 141 crores in 1985-86. But over the past few years, the Corporation has suffered from gross mismanagement and corruption at various levels. Mismanagement of contracts and marketing functions has saddled the company with a number of heavily losing projects. Therefore, there has been an almost continuous fall in the turn over, which reached 87 crores in 1990-91. The company has incurred losses of about 40 crores. The company also fell into a debt-trap and has a debt burden of 60 crores, for which annual interest is over 12 crores.

NPCC Employees Joint Forum identified the main causes of this state of affairs as :

(a) Gross mismanagement of the key affairs of the Corporation at highest levels, leading to faulty decisions and policies, increasing delay in decision making and reluctant fall in operational efficiency.

(b) A massive debt burden, leading to severe cash flow bottle-necks, throttling the progress of work at different projects.

(c) Critically low order book, resulting in reduction of functional fronts, leading to inevitable fall in output.

(d) Works bagged at unworkable rates, leading to heavy cash deficits, impending the progress.

(e) Unfair labour practices, especially provocative retrenchment, lockouts, closures, lay-off etc., leading to avoidable industrial unrest.

Apart from these factors, the public construction companies have always been a happy hunting ground for contractors. That is why, thousands of workers, engaged in public sector construction companies under the contractors, have been among the worst exploited sections, suffering insecurity of jobs, extremely low wages and virtually no social security. During these years, the public sector construction companies, including NPCC, are being deliberately sabotaged and works are being handed over to contractors. There are many examples to show how NPCC is being dismantled and turned into a mere brokerage firm for private contractors. Increasingly, NPCC works have been sublet to private contractors. Costly machines owned by NPCC have been handed over to private contractors on low rentals and on the other hand, certain NPCC machines have been left idling and substitutes have been rented from contractors on very high rates.

And this is being done after scrapping the various bilateral agreements between the management and Employees Federation regarding the execution of work. Through a series of agreements, it had been agreed that NPCC works would be executed departmentally and not farmed out on contract; 'back-to-back', i.e., total work shall not be given to any private or other contracting agencies except in the areas like building work and other small and isolated works where looking after various problems like mobilisation, financial involvement, time schedule etc. may not be possible through normal modes of execution; all major construction equipments and machinery of NPCC will be operated and maintained departmentally etc. It is also estimated that if these agreements would be implemented, an additional 8000 men would be required to maintain and operate the machines.

In units at Kangan, Dadri power plant, Basbareli, Guwahati, Tanughat, Bijpur, Hitiari hydel, Ramagundam, IWSS, Vijayawada, Gudivada, FCI, Bokaro thermal (ash bund), Jayant, Bansagar, Chamera, Ranchi MECL, Rajghat, works amounting to 153 crore have been handed over to private contractors on back-to-back basis. The highly profitable work of de-watering which can engage the machines of the corporation, has been totally sublet to private contractors. The main examples are Manu barrage, Khowai barrage and Maharani barrage (in Tripura), Sopura and Kangan units (in J&K), Bansagar unit (in M.P.), Janakpur unit (in U.P.), and Bhim barrage unit (in Bihar). Numerous machineries like mixers, jack hammers, vibrators, earth movers, drill machines, pumps, generators, tippers, dozers, cranes, batching plants, welding sets, loader compressors, crushers, lath machines and even jeeps, cars, trucks, buses etc. have been handed over to private contractors. The employees union, time and again raised this issue of how a public sector company is being used and destroyed for private profit. The Employees Federation's various memorandums to government even named the contractors to whom they have been let out at different project sites.

In fact, following NPCC, other public sector construction companies like National Building Construction Corporation (NBCC), Bridge & Roof etc. also started to offload work to contractors. NBCC has given the work to contractors at Dhaula Kuan, Ashram, Scope, Preet Vihar T.V. Tower, Water treatment plant etc. in Delhi, which were earlier being executed departmentally. The Bridge & Roof company, which has acquired many new sites like Madras atomic energy plant, Gaya bridge site, Kashmir & Srinagar ONGC site, employs only a thin number of regular workers while thousands are engaged through contractors. As a result of this only, almost all the public sector construction companies including NPCC have arbitrarily reduced workers strength, and skilled and highly skilled categories of workers are being told by the management to work as unskilled workers or even as security guards.

This is only a small part of the corruption and the process of dismantling going on' in public sector construction companies in general and NPCC and NBCC in particular. In this period numerous corruption charges of high level management also surfaced. CBI raids and inquiries proceeded. But the situation remained the same, inspite of regular exposures done by worker's unions.

In NPCC, this situation ultimately reached a breaking point in 1987 when hundreds of NPCC workers started an indefinite agitation in Delhi. NPCC employees union, affiliated with AITUC, gave a call to 'Save NPCC' and initiated an indefinite dharna in front of NPCC headquarter in Delhi. Their main demand was reinstatement of hundreds of dismissed workers, who had worked with the organisation for five to fifteen years. During the course of their agitation, NPCC management dismissed altogether 1072 skilled and experienced workers. In 1989, thousands of NPCC workers under the banner of AITUC union, organised massive demonstrations, rallies and other protest programmes in Delhi to highlight the problems of contract, irregular or workcharge workers. They also continued with the 'Save NPCC' campaign and rigorously cautioned that because of the increasing corruption, privatisation, contract-sub contractship and labour unrest, the future of NPCC will be in danger in the near future. The trade union pamphlet stated. "... It is true that workers are defending their right to employment, but in a larger perspective, they are actually fighting to save NPCC..."

NPCC Employees Joint Forum and their Struggle

In the early months of 1991, NPCC Employees Joint Forum came into existence. In the changed economic-political scenario, the employees unitedly decided to take up the challenge of turning around the loss making company into a profitable one, by making some fundamental changes in the system of management. Employees for the first time, took up a rigorous and complex exercise about various so-called technical matters, like cash inflow, growth plan, turn-over projections, order book, claims realisation etc. and thus came out with the 'Employees Plan to Turn Around NPCC'.

The main features of the plan at a glance commit a steady growth, raising the turn over from current value of Rs. 95 crores to beyond 300 crores by 1998-99; positive cash flow by 1993-94; reversing the present loss-making trend and start earning annual profit from 1994-95 onwards; wiping out a total of 42 crores from the accumulated losses by 1998-99; net earning of about 45 crores in foreign exchange upto 1998-99. The employees plan also seeks no fresh loan from the government. The only assistance sought from the government is change in the system of management, short term assistance in improving order book and temporary increase in cash credit limit by 20 crores and short term assistance in realisation of outstanding dues from government departments. In spite of all this, the plan proposes to repay all existing corporate loans alongwith interest by 1997-98. The plan conceptualises employees management so as 'to make employees directly answer able to the government for turn around of the corporation'.

The viability plan has taken up different areas in minute details. Some of the important areas are :

(a) Contract and tender division to be diversified to tackle small, medium and large works including foreign works through systematic regionalisation geographically.

(b) Efficiency and productivity enhancement at project; proper categorisation of sub-contracting of works and timely closure of each project.

(c) A comprehensive personal policy.

(d) Enhancement of the utilization of costly equipment through proper deployment and monitoring of out-turn through central computerised reporting system.

(e) Speedy resolution of vigilance cases.

(f) Concerted efforts backed by assistance from the government to realise on an emergency basis at least 24 crores out of 35 crores of outstanding dues from various state governments and central and state undertakings.

In the midst of these plans, two things deserve special mention. First, the plan seeks to restrict current administrative expenses, which are largely fixed expenses, to 5% of the turnover and provides for and annual increase of nearly 10%. Second, the plan expects to strengthen the manpower till 1994-95 to meet the higher turnover requirements.

For the employees involvement in the management, the plan seeks some important structural changes in the company. One of the important change lays down concrete steps to eliminate managemental deficiencies and creating a work culture. Apart from other things, the plan guarantees to make employees directly answerable to the government for the turn around of the company; formation of a Governing Body consisting of representatives of all sections of employees and functioning with the help of a board of competent, experienced, technical and professional managers responsible for implementation of the plan and who will be under the control of the Governing Body. And this ends with a determined note that 'Employees collective for the revival of the Corporation...places them in a position to be able to turn around the company by a collective effort.'

But the emergence of NPCC Employees Joint Forum and the popularisation of employees viability plan alarmed the management and the ministry. They were scared that if the employees plan would gain ground, the total dismantling or privatisation of NPCC would be impossible. They were also alarmed by the fact that popular initiative in NPCC would be replicated in other construction and public sector companies. So the ministry of water resources confidentially and hurriedly started the process of dismantling of NPCC. The 'confidential', 'most immediate' meeting and 'action points' came out in the discussions of the senior officers of the Ministry of Water Resources on 7.10.1991 which stated. "...The organisational structure and requirements of NPCC should be critically examined by appointing an Advisory Committee comprising of earlier Chairman, NPCC, private entrepreneurs and experts. The NPCC could be reduced to a core group of experts instead of maintaining a huge organisation."

In the same meeting under the category of 'privatisation of public services', it is clearly mentioned that "It is to be examined how services in water resources sector could be privatised. In regard to the NPCC, it should be examined whether it is to be converted as a worker's participatory organisation. If this is not found to be successful, the matter is to be examined for its winding up/closure, keeping in view the overall government policy in this regard..."

After that, when the Employees Joint Forum submitted its viability plan to the Ministry of Water Resources, they ignored & tried to suppress it. When the Ministry called the Forum's representatives in January and February '92, they outrightly rejected to discuss the viability plan submitted by the Forum. They did not even examine the possibility of workers participatory organisation. On the contrary, the Ministry cleverly initiated the idea of workers cooperative, knowing well that this is purely a rhetoric and that workers cannot conceive of a workers cooperative for this highly capital oriented and technology intensive unit.

Finally, the Ministry of Water resources revealed its true colours when in February '92 it issued an order and instructed the NPCC management to make reference to BIFR in accordance with the amended provisions of the Sick Industrial Companies (Special Provisions) Act.

NPCC Employees Joint Forum has decided to confront this situation. This decision and their ongoing activities actually signify the new mood and direction of the public sector trade unions in the country. Firstly, the Forum organised a series of agitational programmes in support of their viability plan. A big convention was held in Delhi, with the participation of trade unionists, economists, social groups, journalists to discuss about the plan. Then for the first time they organised a convention of the employees and their unions of all the public sector construction companies in Delhi in January '92. A joint action committee of the unions of all the public sector construction commpanies was evolved in this convention.

Under the banner of Public Sector Construction And Consultancy Employees Joint Forum, all the unions organised a national convention at Bukaro in March '92. The National Convention in its detailed resolution pointed out that the present policy of the government will result in withdrawal of public sector from construction industry which in turn will lead to a complete loss of control on construction prices and the profiteer contractors will extort at will for development of infrastructure. The effect of these policies on the construction employees will be catastrophic. More than 50,000 employees and lakhs of family members will be hit hard. The public sector construction employees have also declared their support and participation in the proposed organised movements at the national level against the new economic policies of the government.

The NPCC employees' struggle took a new turn when the Forum called upon all the employees to give up their holiday of 29th March and go to work to express their commitment to the revival of the company. The Forum's convenor I. S. Jha called this "a positive assertion of employees' will which indicates a high degree of awareness among the NPCC employees." Surprisingly, the Ministry and management announced that nobody would be allowed to work on a holiday. And when thousands of NPCC workers assembled in their workplaces on that day, the police was called and the employees were denied entry. The Forum also submitted a mass petition, carrying signatures of all employees, to the petition committee of the Lok Sabha to recommend to the government for an early acceptance of the employees plan.

It is also significant to note that in the course of nearly one year of struggle, the employees also achieved a record turnover. The company has achieved a turnover of 99 crore during the year 1991-92 as against the target of 95 crore set up by the memorandum of understanding with the ministry of water resources. Not only this, the company plans, based upon the employees will, to achieve a higher turnover during the next financial year, as per the new MOU.

Now the employees of NPCC have practically stopped the reference of the company to BIFR. They have shown the alternative and in fact implemented it in terms of prodution, their productivity etc. They have initiated a chain of reaction in other public sector companies. But the government is still adamant about dismantling NPCC and other public sector construction activities and is also blind to the employees viability plan. First the management and the ministry tried to ignore them, and now they are trying to suppress them. Employees are constantly threatened, transfered, hounded. The employees' unity and the existence of the joint forum is the main target of attack now. But the NPCC Employees Joint Forum is firm about the alternative path of development. They have now appealed to all central trade unions, confederation of officers, national level employees federation in railways, banks, post and telegraph, etc. to form a confederation for the sole purpose of fighting the new economic and industrial policies and to save the economic sovereignty of Indian nation.

II

On the Struggle of Revamping and Rehabilitation of Existing Fertilizer Units

In the list of 'Chronically Sick Units' in the public sector, as per the monograph on the performance of Central Public Sector Undertaking, prepared by Govt. of India, Fertilizer Corporation of India Ltd. (Sindri, Gorakhpur, Talcher, Ramagundam, Korba Project, Jodhpur Mining Organisation), Hindustan Fertilizer Corporation Ltd. (Durgapur, Namrup. Barauni, Haldia, Marketing, FP & ARD, CPLO) and Projects & Development India Ltd. (Design & Engg., Catalyst, Inspection, Shipping Transportation & Liasion Services) have been shown as industries under 'Low Priority Area', which need an early BIFR reference. The Government paper clearly indicated the immediate plan of the Government to virtually close down a good number of Public Sector Fertilizer Plants.

In a significant and swift development, Association of Officers/Engineers and Trade Unions of the public sector fertilizer industry, in a joint move decided to undertake necessary steps to conduct a study with the help of experts, so that an alternative action plan can be prepared for the public sector fertilizer units, to save them from the onslaught of the new economic policies. The Fertilizer Workers Federation of India and National Confederation of Officers Association of CPSU, with the help of Forum of Scientists, Engineers & Technologists, Calcutta, have prepared a thorough 'Techno-Economic Revival Plan' of FCI, HFC & PDIL and submitted it to the Prime minister and Fertilizer Minister. This plan is meant not only for the protection of the right to work of the employees but is also in fulfillment of the spirit of inquiry and reform and the striving towards excellence in collective activity.

The revival plan has examined the strategy of revamping and rehabilitation of existing units with reference to the criteria of :

(a) minimising the investment required;
(b) minimising the foreign exchange required;
(c) minimising the subsidy required and
(d) optimising the use of the existing technological, manu-

facturing and process capability.

On the first criteria the plan indicates that with a gross investment of 410 crores, in all the existing plants, an additional production of 11.31 lakh tons per year can be achieved (9.31 lakh tonnes of Urea and 2 lakh tons of Nitrogenous Phosphate). This works out to an average investment of Rs. 1,776 per ton and if Talcher and Ramagundam are included, the average investment would be 1,972 per additional ton of fertilizer. As against all these, the investment/ton of urea in a new plant would be Rs. 16,918, which would go up considerably if estimated today on the basis of free foreign exchange, in spite of reduction in custom duties.

In the plan, the other factor of importance is that an additional capacity of 11.31 lakh tons can be achieved through revamping and rehabilitation within 12 to 24 months, equivalent to Rs. 410 crores, as against a minimum period of 30-40 months and 2000 crores required in case on denavo grass root plants The rehabilitation and revamping scheme would in the short run provide about 11.31 lakh tons of Urea per year. This would require 425 crores per annum in foreign exchange for imports. If the government decides to close the existing plants of FCI and HFC, the loss of existing production and additional capacity realisable in the short term would be about 21 lakh tons, and imports of an equivalent amount of fertilizer would be of the order of Rs. 800 crores per annum. The plan also suggests the least subsidy option by a change in retention price and capital structure in the fertilizer companies.

According to the plan, what is required is :

(a) decision to invest in revamping and rehabilitation;

(b) mopping up investable surpluses;

(c) changes in the retention price formula;

(d) capital restructuring of FCI, HFC & PDIL and finally

(e) creation of a consortium of Indian industry to undertake the task of revamping and rehabilitation.

Thus it is stated that BIFR is not the way to solve the problem, because none of these policy options fall within the purview of BIFR. Instead of this it is suggested that a Revival Committee be constituted, consisting of experts, representatives of government, term lending institutions, managements of the fertilizer units and Indian industry and all sections of the employees. This committee should be given strictly timebound schedule for the revival of the fertilizer units.

Fertilizer Workers' Federation of India and National Confederation of Officers Association of CPSU with a deep sense of commitment, also stated that "We would like to put on record, that our organisations would *take the* responsibility of guaranteeing not merely the whole-hearted cooperation and support of the workforce but also *the* active participation *in the* strategy of revamping and rehabilitation of existing units through a consortium of Indian Industry."

The workers submitted their plan in March 1992. But the government totally ignored and suppressed this and even the receipt of the scheme has not been acknowledged. On the other hand, the government has gone ahead with their scheme of dismantling the infrastructure of the units of the Corporations. In a confidential note, circulated to the members of the Tripartite Industrial Committee in Chemical Industry, the Chemical Ministry has ruled out the possibility of HFC & FCI becoming economically viable. In a half-hearted and almost biased approach to the problem of the fertilizer companies, the chemical ministry presented a dismal picture and did not provide any solution, except the closure and privatisation of these companies.

In reply to this, fertilizer workers and officers association called a national convention in May '92 to popularize the revival plan and prepare an agitational programme. The workers and officers organisation also released another detailed techno-economic revival plan in which the revamping measures of each and every FCI & HFC plants and PDIL have been outlined within a broader context of their history and the social relevance of public sector fertilzer industry, national and zonal fertilizer scenario, retention price scheme and its impact on old plants, modernisation etc.

The national convention adopted a bold declaration in support of self-reliance and food security and noted that, "…An anti-national fertilizer policy of the government will affect the indigenous fertilizer industry, irrespective of old-new, so-called sick and healthy." It also cautioned that this can lead to a situation of importing food grains under such humiliating conditions like PL-480. The fertilizer workers are now prepared for a long drawn battle in suport of their revival plan.

III

The employees of NPCC, FCI or HFC are not exceptions. Now in many cases, public sector workers and their trade unions are committed to run their companies efficiently and profitably, to correct the past mistakes, mostly committed by the management and government policies. In April '92 only, the Electricity Employees Federation of India and All India Federation of Electricity Employees organised a workshop in Delhi on 'Alternative to World Bank Prescriptions for India's Power Sector'. The Federations had commissioned a study on India's power sector with special referencc to the policy changes initiated by the Government of India under the dictates of IMF-World Bank. The workshop planned further campaign against the Fund-Bank dictated policies in power sector and in support of alternatives. In May '92, the West Bengal Committee of CITU prepared and submitted a detailed study on 17 sick central public sector units in the state to the chief Minister, along with a set of proposals to revive them. All the units are among the 58 chronically sick PSUs listed by the Union Government. In this study, CITU committed to revive the factories in a time bound manner.

The closure, retrenchment, lay off, dismantling and privatisation of public sector are not the only options, as propagated by the government under the dictates of World Bank-IMF and MNCs. There are other options and alternatives available, suggested by the employees themselves, which can be productive, are viable, sustainable, self-reliant, energy efficient and can also take care of workers and employment. This is the message of the new phase of struggle of public sector workers in India.

3
State Public Sector

Workers Against Privatisation

The workers' struggle against privatisation of UP Cement Corporation (Dalla, Churk and Chunar) in Uttar Pradesh has achieved a historic and heroic victory. The long and arduous struggle of the workers of the UP Cement Corporation, against attempts at a take over by the Dalmias, succeeded in pushing the government into calling a halt to its privatisation moves in Oct. 1991, at a time when the onslaught of the new economic policies was reaching its height. It was perhaps for the first time in the industrial history of independent India that at least a dozen workers were killed and many more seriously injured while protesting against the forcible take over of a government factory bv a private industrial concern. The struggle of UPCCL workers became the focal point for the labour unions to organise against the trend towards privatisation in the country. The workers' performance after deprivatisation has also disproved the current official theory that private sector alone could deliver the goods.

The legacy of struggle of U P Cement Corporation workers is very much ticking and alive. Now the workers of Auto

Tractors Limited, Pratapgarh are fighting a decisive battle for scrapping of the privatisation deal of this State Public Sector Company during the Mulayam Singh Yadav's regime.

I

The UP State Cement Corporation (UPSCCL) is the only state sector company operating large cement plants in India. Cement factories are located at Dalla, Churk and Chunar. Dalla and Churk are in the newly constituted district of Sonebhadra and Chunar is in Mirzapur district. The first factory was established at Churk in 1954 and the second at Dalla in 1962. The corporation was formed in 1972 and registered as a public limited company in March. It took over the two state government cement factories at Churk and Dalla. These are composite units based on the obsolete wet process technology. The Kajarhat-Chunar cement project (based on new dry process technology) taken up by the corporation after its formation, is a split location plant, having its clinker production kilns at Kajarhat (Dalla) and cement grinding unit of Chunar. Viewed in terms of installed capacity, the corporation is the third largest cement manufacturer in the country after ACC and CCI.

According to official figures, the number of workers in Churk, Dalla and Chunar factories is respectively 1,313, 2,043 and 1,107. But a large number of workers, around 3 000, are on the muster roll or are casuals.

The UPSCCL has incurred heavy losses, of the order of Rs 155 crore *vis-a-vis* an equity of Rs 1 crore during the past seven years. The reasons for this dismal performance have many but the main one is the very poor utilisation of capacity which in 1990-91 was a mere 30 to 35 per cent. This is against the capacity utilisation ranging from 90 to 110 per cent in new cement plants and the national average being 74 to 78 per cent. The total liability of the corporation on account of repayment of loans and payment of interest to the financial institutions and banks was of the order of Rs 115 crore. Besides, the corporation had net current liabilities of Rs 35 crore, of which the major portion was government dues on account of sales tax, railway freight, power, coal, slag, cement requation account etc.

Mirzapur, it must be mentioned here has abundant mineral resources as well as raw materials required for the cement factory—limestone and coal. Limestone, coal and the main raw material in the form of slag (which basically contains iron) are available at a much cheaper rate here than in other regions. There are no problems in the supply of electricity. Similary there is no dearth of a market for cement.

There are surprisingly, no official facts about the heavy losses incurred by the corporation. In spite of a long history of loss, the UP government has never felt the need to constitute a committee to look into and analyse the various reasons for the loss.

Accounting for Losses

The factory at Churk uses only the obsolete wet process technology for the manufacture of cement. Dalla has plants which use both the wet and dry process technology. The wet process not only leads to more consumption of coal, electricity and raw materials thus raising the production cost, but also limits the production capacity. Most cement factories in the country have discarded the obsolete wet process in favour of the dry process technology. Because of numerous technical faults, the dry plant in Dalla, started in 1984, could never exceed 50% of its rated capacity. Senior scientists and technicians of the factory allege that not even a trial run has been done at maximum capacity. Moreover, in both dry and wet process, the last stage of cement production requires the use of fast cooling systemtechnology. If the cooling system is not efficient the quality and output of cements is reduced. Cement factories of both Dalla and Churk have inefficient cooling systems.

Similarly, the decision of the corporation to install a wet process technology plant at Dalla under the Kajarhat Chunar cement project and a grinding plant at Chunar, is said to have been unsound. This split-location project is such that the raw material at Dalla and Churk is sent to Chunar, which is about 75 km and 90 km away from the two places respectively, only for the grinding purpose. This increases the production cost greatly and also leads to a number of technological problems. Sources at the factory reveal that during the Congress reign, pressure from local political levels lead to the establishment of the grinding unit at Chunar which otherwise would have been constructed along with Dalla and Churk factories.

Poor management and corruption at the top level are also responsible for the loss. Out of 15 directors on board, five are nominated by the governor, two by financial institutions and eight are elected by the board/shareholders. None of them are full time functional directors with professional qualification and relevant expertise. For example, one officer of IPS cadre was working as director (marketing) in addition to his whole-time appointment as CMD of UP State Minerals Development Corporation. It is also widely alleged that the top level was always dominated by the IAS who have been unskilled and inefficient from the technical point of view and have also been corrupt.

It is significant in this context that labour unions of the corporation have been highlighting corruption and irregularities of the officials and have clearly demanded action against some officials. The documents and memoranda of the labour unions also reveal irregularities in the corporation. For example, a project to install a mini cement plant in Dehradun was started and after incurring heavy expenditure, was shelved. No action has been taken against those responsible for the failure of the project. Simmilarly lakhs of rupees were spent on a proposed central office at Varanasi, which is yet to be opened. There have been numerous other irregularities and clear instances of rampant corruption. An advance payment of Rs. 2,80,000 (all of it as commission) was made for the purchase of a wagon tipler at Chunar which cost Rs 1.4 crore. But even before the tipler was installed, the corporation had started procedures to sell it, because apparently it had no use for the same. Thousands of tons of clinker have been sold illegally to private industries. Cement worth Rs 1 crore was supplied to a private company without any advance payment and lakhs of rupees have been given as commission. There have been large-scale irregularities in electricity consumption and payment of electricity bills. Maintenance and repair of the plant machines has been neglected as a result of which there have been a number of industrial accidents. Nor has there been any attempt to replace worn-out machines which make for low production. Interestingly, the state government consumes 80 per cent of the production of the corporation, buying it at prices considerably lower than the market price. No attempt has been made by the government to look at these irregularities and anomalies, or bring corrupt officials to book.

Privatisation of Corporation

Workers of the corporation came to know of the privatisation plans only when the government issued a press release inviting private companies to come forward. The state government press release on May 1, 1990 invited desirous entrepreneurs for discussion on privatisation of the corporation. A few proposals came including one from the employees to run the corporation as an employees cooperative as well as offers from central government-owned Cement Corporation of India and other private industrialists like ACC, Gujarat Ambuja, Modi Cement and Dalmia Industries. After examining the various proposals, the government decided to accept the proposal from Sanjay Dalmia Industries, and an MOU was signed between the state government and Dalmia Industries in February 1991.

The main feature of the MOU were : Dalmias will take over the management of the corporation on 'as is where is' basis; the joint venture between state government and Dalmia Industries will be in the ratio of 49:51; 51 per cent shares of the corporation with a face value of Rs 100 per share were offered to the Dalmia Industries and 12 other companies under the management of the Dalmias at an actual price of Rs 75 per share, totalling Rs 25.12 crore. The payment terms by the Dalmia Industries were as under : at the time of signing the agreement Rs 1 crore, after three month Rs 2 crore, after six month Rs 2 crore; the balance account as mentioned above was to be reinvested by the state government in the UPSCC in loans/debentures carrying interest at 12% per annum to be redeemed in five years in equal instalment; whenever the state government wishes to disinvest the balance 49 per cent share in the joint venture, the Dalmia would have the first right to purchase at an agreed price at that time. Further all employees of the UPSCC were to be taken over by the joint venture on 'as is where is' basis; the state government will appoint the chairman and three other directors while Dalmia industries will appoint a management director and four other directors; the Dalmias will run the plant as a cement unit for a minimum period of five years; internal and external auditors of the joint venture will be appointed in consultation with the state government; the joint venture will have sales tax deferment for five years which will be paid in five equal annual instalments after a three-year holiday; all liabilities due to the state government agencies; exceeding Rs 2 crore, for a total sum of Rs 22 crore are to be rescheduled with a moratorium of three years followed by repayment in five years carrying interest at 12 per cent per annum; a rebate of 3% will be given for timely payment; contingent liabilities of Rs 1.4 crore to the sales tax department and Rs 11 lakh towards stamp duty shall be waived; all sales tax case of the past will be dropped; all other contingent liabilities will be paid by the state government; financial institutions and banks having stake in the UPSCC will be rquested to provide all facilities of a sick company to the joint venture.

The main physical assets of the corporation were land, building and machines. Firstly, Dalmia Industries gets a plant of installed capacity of 16.80 lakh MT for cement at a total cost of Rs 26.12 crore, which will otherwise nearly Rs 500 crore (assuming capital cost Rs 2,000 per MT at current prices). Dalmias gets 13.5 sq km of land estimated at Rs 135 crore at the rate of Rs 100 per square metre. There are 5,0C0 residential units at Rs 55 crore. There are three limestone mines covering an area of 30 sq km with mining rights for another 40 years. Average production of limestone is 2 lakh MT per month. The joint venture has a long-term contract for slag with Bokaro Steels for 20 years frcm 1984 at prices prevailing in 1984.

Besides these visible assets, there were many invisible assets in the form of concession offered by the government. In this context a study by the economist Dalip S Swamy is significant. According to this study, the current sales tax is about Rs. 35 crore. "Assuming that the sales tax remains at the level of Rs. 35 crore for two years and then goes up to Rs. 40 crore as production increases, the present discounted value of interest benefit of this deferment is estimated at Rs. 194.33 crore." Further, "the value of the corporation in visible and invisible assets comes to Rs. 421 crore. This amount is made up of Rs. 135 crore for land, Rs. 55 crore for buildings, Rs. 24.83

crore for mining rights, Rs. 194.33 crore for sales tax deferment benefit, Rs. 7.2 crore for moratorium on liabilities to government agencies, Rs. 3.65 crore for interest benefit on instalment payments, Rs.1.40 crore for waiver of sales tax, and Rs.0.11 crore for waiver of stamp duty. It should be emphasised that this is the minimum value of the corporation's assets, because many other assets like machines and furniture are excluded from the calculation and the sales tax deferment benefit is estimated at conservative levels of production. The corporation's total liabilities on account of repayment of interest to the financial institutions and banks is Rs 115 crore. This amount should obviously be deducted from the current market value of assets. Following this procedure, one gets the corporation's net assets value at Rs. 306 crore. This is the market value of the UPSCC at which it should have been privatised...But the valuation of the UPSCC's assets is based on the paid-up capital (book value) of the corporation, which is shown in the books as Rs. 68.28 crore, a sum presumably initially contributed by the state government in 1972. This amount is adjusted downward by 75 per cent to Rs. 51.21 crore in view of the depreciation of the corporation's fixed assets. The Dalmia's 51 per cent share is then estimated at Rs. 26.12 crore."

It is also significant that a share valuation report was prepared for the company's employees by S K Ahuja and Associates, Kanpur, recognised by IDBI and government of India. The value of each share of Rs. 100 comes to Rs. 288. According to Churk Adhikari Kalyan Samiti various concessions and facilities have been provided to Dalmias at a cost of Rs. 55.00 only per share, whereas the value of facilities provided actually come to Rs. 270 crore, which would come to about Rs. 200 per share. Thus each share of Rs. 100 has a market value of Rs. 488.00 (Rs. 288 + Rs. 200).

Soon after the privatisation moves became public, labour unions in the corporation—there are nine in all, of which AITUC, BMS, HMS, and CITU are prominent—independently started organising protest, distributing a series of pamphlets, posters, and memorandums, and holding dharnas, demonstrations, etc. Simultaneously they also filed a writ petition against the privatisation move in the Allahabad High Court.

It is interesting to take a look at the order of the court against the privatisation and the response of the government, local administration and Dalmia Industries. The high court gave a stay order on October 16, 1990 stating, "... until further orders, the final implementation of the decision to hand over the factories run by the corporation shall remain stayed during pendency of the writ petition. However, in the meantime other formalities may be completed." But the UP state government under the leadership of Mulayam Singh Yadav was interested in going ahead with privatisation quickly and proceeded to do so. After signing the MOU with Sanjay Dalmia Industries in May 1990, the government even issued orders to induct five nominees of Dalmia Industries on the board of directors of the corporation, one of whom was also to be appointed the managing director. The Allahabad High Court had initiated contempt proceedings against D K Mittal, special secretary, ministry of industries, government of UP and against S C Gupta company secretary of the UP State Cement Corporation.

During this time, the officers' association of the company also filed a writ petition challenging the government orders. The high court clubbed together both the writ petitions and the hearing started before a bench comprising chief justice B P Jeevan Reddy and justice R B Mehrotra on April 30, 1990. The high court obtained the views of the Industrial Development Bank of India, the State Bank of India and the Allahabad Bank as to whether their approvals mandatorily required were taken prior to the settlement. The next hearings were fixed for May 21 and 22. But after the May 21 hearing, further hearing remained suspended due to the assassination of Rajiv Gandhi and the high court went on summer vacation after May 24. In view of the urgency of the case, on May 24 the high court ordered that further hearing would commence on or after July 8 on which date the high court was to reopen.

On May 24, 1991, the high court also issued a clarification which ultimately created the way for government action and the police firing. The court order states:

"We do not wish to express any opinion on the merits of the several contentions raised before us today at the hearing of this application. Our limited concern at this stage is that the corporation be allowed to run on proper lines till the disposal of these writ petitions. It is with that view that the following clarifications of the aforesaid interim orders are made:

(1) The registrar of companies, Kanpur shall verify whether transfer of 49 per cent of shares of UP Cement Corporation has been effected in favour of Dalmia Industries or their nominees, as the case may be, as on today, i e. 21-5-91, on such verification, if he is satisfied that such a transfer has taken place, he shall issue a certificate to that effect both to the government of UP Cement Corporation and Mr Gupta, senior advocate appearing for the petitioners.

(2) If the certificate is issued by the Registrar of companies affirming transfer of shares as contemplated by clause (i) above, the present board of directors will be allowed to manage the affairs of the corporation pending disposal of these writ petitions and subject to such further orders or directions as may be issued by this court in these matters.

(3) That the employees and officers of the corporation shall co-operate with the present management for a better running of the corporation. They shall act subject to the control and directions of the present board of directors. However, the officers and employees shall not be disturbed or shifted from their respective places of posting held by them as on today.

The assistant registrar of companies, Kanpur, A W Ansari, issued a certificate on May 27, 1991 to secretary, department of heavy industries, UP, UP State Cement Corporation and Gupta, senior advocate. The language of the certificate in itself was scrious. "...In view of the above noted facts it is certified that 33,45,720 shares of UP State Cement Corporation, as mentioned above *stated to have been transferred* in the names of above noted transferees by the Hon'ble governor of UP through D K Mittal, secretary, industry department, UP government..." (No 20-05524-PC-955). But after the firing at Dalla, on June 7, 1991, the same assistant registrar, wrote a letter to secretary, department of heavy industries, UP and UP State Cement Corporation asking for information in the name of governor about the total number of shares and the number of shares transferred to Dalmia Industries and their nominees, as well as details of the government order regarding share transfer (No 20-03524/PC/500). It was natural to question the relevance of the letter issued by the assistant registrar on May 27, 1991. It was alleged that due to political and other pressures, the assistant registrar issued a certificate regarding the share transfer without verifying the facts. This allegation was further strengthened by the information that after some days the registrar himself issued a notice to assistant registrar to seek reasons and the basis for issuing a certificate regarding share transfer.

However, Dalmia Industries, the state government and the local administration interpreted a part of the court's decision in their favour and used it to give a concrete shape to privatisation. A conspiracy to go ahead with privatisation to its ultimate end was worked out.

Firing at Dalla

Dalmia Industries clearly wanted to grab control and capture the management of the corporation before a new government took over in the state and the state government wanted the new management to take control of the corporation as soon as possible. And thus the Dalmia management, the government, the local administration and police together worked in this conspiracy. This was the background for the Dalla firing.

The government and the Dalmia management conveniently, reinterpreted a part of the decision of the court and used this as their armour. For example, agreement of finacial arrangement clearly states :

> 15) While UP government has decided to sell 51 per cent shares of corporation as mentioned above to Dalmia and others, due to pending stay of Allahabad High Court, only 49 per cent shares will be transfereed at present. Balance 2 per cent shares will be transferred only after the stay is vacated ..

This document was signed by Pravin Kumar, managing director, Dalmia Industries and Ajay Vikram Singh, secretary, UP government. Another letter of joint secretary of UP administration, Alok Tandon, dated February 23, 1991, addressed to the President of Churk factory (No. 489/18, 13-91), revealed the same interpretation, "···According to the view of the court, if 49 per cent of the shares are transferred at present, then there will be no disregard of the high court's order, since the nature of the company will remain that of a public company..."

On May 29, before the firing at Dalla on June 2, a similar incident had been averted at the cement factories of Churk and Dalla. Then the local administration with a large force invaded both the factories and sealed the cash room. According to district magistrate K.P. Singh and police superintendent K.N.D. Dwivedi, the officers of the factory had illegally kept the government money of the corporation in the factory, instead of depositing it. With a view to protecting this government money, the case was registered under the Indian Penal Code and hence the move to seal the cash room. But the workers' of these factories considered this act to be a mere pretext, with the actual aim being to occupy the factory. Angered the workers came out on the streets and started protesting outside the factory. But then the initiative of the workers' leaders and the constraint followed by the local administration averted any firing. In reaction to this the workers at Dalla stopped work on May 30.

However, with this attitude of the local administration, police and representatives of the Dalmias, a rumour began to spread among the workers of Dalla and Churk that the work and organisation of the factory would be usurped by force in the near future. The workers began an intensive 'dharna' outside the gates of the factory. The rumours proved correct—on June 2 at 11.00 a m, the local police with a large force, representatives of the Dalmia group and some outsiders brought by them, surrounded the factory; workers were pushed out and the Dalmia management established its control over it. The workers continued with the 'dharna'. News about the incident at Churk reached Dalla and a number of workers on 'dharna' outside the factory swelled with other citizens and students also gathering there in large numbers. A number of U P government officers and the management personnel of the Dalmia group of industries arrived at the factory premises under heavy police security for acquiring physical possession of the factory for the Dalmia. By 3 p m around 650-700 workers, students and political activists were on the road in front of the factory on 'dharna' protesting against the forcible occupation and privatisation of the factory. The 'dharna' was peaceful and because of the large number of people, got converted into a meeting and a protest march, inevitably disrupting traffic. About half an hour later, i e, at about 3.30 p m, the police suddenly resorted to a lathi-charge without any provocation, notice or without any call to lift the 'dharna'. The lathi-charge was almost immediately followed by teargas firing, again without warning. The workers were taken aback by the police attack and started running away.

The firing was first resorted to allegedly by the Dalmia personnel with their private pistols. The police then started firing on the fleeing workers at random. As some stopped to pick up the dead and injured workers, the police fired at them from point-blank range killing them on the spot. Some of the fleeing workers picked up stones and threw them at the police. The police chased the workers to distant places, into the forest, the hilly ranges in the vicinity and inside the residential colonies, firing at random above the waistline all through.

The firing continued for about two hours, i e, up to 5.30 pm. It was then that the police alongwith some anti-socials, hired by the Dalmia management, set fire to several vehicles, public buses and shops and later accused the workers for acts of arson. Curfew was imposed the same night and the next morning it was alleged that quite a number of dead bodies were taken away by the police and burnt beyond recognition. It was reported that at least 40 persons were killed and about 60 injured. On June 3 and 4, the police forcibly entered the residences of the workers, beat them up severely, misbehaved with the women and looted their properties. A large number of workers, reportedly about 100, had already been arrested and cases were framed against them. The general manager of the Dalla factory, Dharam Vir Khushwaha, was arrested for allegedly supporting the workers against privatisation and charged under various section and later, under the National Security Act. The other two general managers of Churk and Chunar managed to escape, but the things in their houses were taken into police custody.

The district magistrate of Sonbhadra at Churk K P Singh and superintendent of police K N D Dwivedi stated that they functioned according to strict government orders to get control over the factory. According to district administration, the workers at Dalla had openly revolted on June 2. They had made war-like preparations by blocking the roads with big stones and had planned an armed attack on the police. The workers started burning, attacking and looting property. Only then did the police resort to firing because of which nine workers were killed. As compensation, one lakh rupees would be given to the relatives of each of the dead as well as jobs to one member of each of their families and the injured would be given Rs 10,000 each.

But a survey of the accident site at Dalla clearly revealed the hollowness of this version of the administration regarding the revolt and the attack. In the whole region, leaving aside one or two big pieces of stones there was no evidence of any blockade. And 'war-like preparation' by the workers in the nearby regions of the factory was practically impossible. Not only the factory workers but other citizens, journalists and political activists at Dalla were unanimous in their account of the police oppression that day.

Clearly the local administration and the police blindly supported the Dalmias and in the name of obeying government orders made attempts to break the morale of the workers opposing the privatisation of the corporation.

After the Firing

The firing at Dalla proved to be a turning point. The incident not only shook the workers and officers of the corporation and forced them to work out new equations in a united manner, it also created a new mobilisation process at Dalla, Churk and Chunar. The labour movement in the whole of eastern Uttar Pradesh saw a new awakening. Questions were now being raised not only about privatisation but also about the firing incident.

After the firing, a joint action committee of all the nine unions of UP Cement Corporation was formed and began the process of uniting the workers. In this region, also known as 'Urjanchal', the workers of the UP Electricity Board's Obra and Anpara thermal power stations went on a last strike for 24 hours. In all of eastern Uttar Pradesh, at Allahabad, Varanasi, Mirzapur, Obra, Anpara, Pratapgarh, Rohitgang, etc, a series of protest demonstrations and marches were held by workers and employees.

The police suppression after the killing of workers in the firing, the general disruption of normal life in the area, etc, had made privatisation an issue in the whole region. And thus various political parties of the region also jointly planned protest programmes and certain common demands emerged out of these protest programmes: (1) An impartial inquiry be conducted regarding the firing at Dalla; (2) The district magistrate and superintendent of police of Sonbhadra district be immediately suspended; (3) Relatives of every dead worker be given Rs two lakh and the injured Rs 50,000 as compensation; (4) All the arrested workers be released immediately and cases against them be withdrawn; (5) The decisions to give the cement corporation to the joint sector be withdrawn; and (6) An intensive inquiry be conducted into the loss and corruption prevalent in UP Cement Corporation and concerned officials be punished. But the main current of the protest movement preferred to wait for the end of Mulayam Singh Yadav government and the formation of a new one. The workers of the corporation and other protestors felt that they had no hope of justice from the Mulayam government and instead of beating their head against a wall, they should wait for a more responsive government.

In the context of privatisation of UP Cement Corporation, two things regarding the local labour movement were extremely significant. First, the role of the union affiliated to Bharatiya Mazdoor Sangh (BMS) in the corporation. The BMS union (affiliated to BJP) had been regularly highlighting the corruption and irregularities at the corporation and appeared to be against its privatisation. But in the decisive stage of privatisation of the corporation and after the firing at Dalla, the BMS union started supporting the handing over of the corporation to the Dalmias. The union called back its representatives from the joint action committee of workers' unions, though two of its representatives defied the decision and continued to work in the committee. The local leaders of BMS at Churk openly stated that while government may have the control of the corporation, it should be run by the Dalmias. These leaders have sidelined the questions regarding the procedure of privatisation and the firing incident. And their demands have got limited to giving compensation to dead workers, stoppage of retrenchment lay off of workers in the private sector and protection of pension, gratuity, etc.

This attitude of BMS has angered the workers, citizens and students of the region and allegations of corruption are flung at it. While the BJP MLA from Robertsganj, Tirth Raj Singh stated in a conversation with me that "the BMS workers' movement should come along with movement against privatisation. But the attitude of BMS leaders is not correct. Action should be taken against them". The attitude of the BMS was particularly suspect because the Vishwa Hindu Parishad leader Vishnu Hari Dalmia is known to have family connections with Sanjay Dalmia.

There are a number of interrelated streams in the movement against privatisation. It is true that the fight against privatisation and the firing incident have made the officials of the corporation and labour unions ride on the same boat. An organisation of officers, the Churk Cement Officers' Welfare Associations has played a positive role in organising the fight against privatisation of the corporation in the court and regarding disinformation. But the response of the officers and that of the workers to the privatisation move were vastly different. The workers of the corporation were as much against corrupt officers, their irregularities and luxuries as they were against the UP government and the Dalmia group. They said that it is precisely the misdeeds of these officers which have led to such a situation and they are being made to pay the price for it.

II

At the height of UPCCL workers 'do or die' struggle launched in the state capital Lucknow, the U.P. Government has withdrawn the decision to privatize the cement units owned by the U.P. Cement Corporation by an ordinance on October 11, 1991. The government also appointed the new chairman-cum-managing director of the corporation as well as new heads of the cement units.

However, the government issued the U.P. State Cement Corporation Limited (Share Takeover) Ordinance, 1991 in a curious manner, refraining from saying that the privatization deal was not correct. According to Government statement the decision had been taken in 'public interest' because the continued closure of one of the three units and drastic fall of production of the two others up to the level of 10%, caused a severe shortage of cement in the state, to the extent that even public works were effected. Also, the government's expectation of inflow of fresh invesment into the units was not fulfilled.

The ordinance has been issued on the eve of the by-elections and comes close on the heels of another major move—issuing a notification for acquisition of over 2.7 acre of land at Ayodhya.

But apart from these 'ifs' and 'buts', had it not been for the consistent and powerful workers movement against the dubious deal, there would have been no question of keeping the Dalmias out from UPCCL. BJP led state government was not at all keen to do away with Mulayam Singh Yadav's controversial decision in this regard. But the workers showed the path and moved to all available corners in a civil society to seek justice—the judiciary, the administration, the state government the central government. They organized various forms of protest actions.

It is significant to remember that in the course of the struggle, the BJP led state government, BMS, leaders of various political parties including the 'notorious' Mulayam Singh Yadav, played an 'open for all' kind of opportunistic politics and desperately tried to influence the course of the intense and ongoing cement workers struggle.

Dalmia Industry's efforts to reopen the factories and break the worker's movement got intensified and ugly during this period. But starving U.P. cement workers, inspite of numerous difficulties, were firm and united, moving step by step towards their goal. U.P. cement worker's struggle also successfully inspired central trade unions to come forward in solidarity actions, as well as challenge the blind and corrupt practices going on to dismantle the public sector in the country.

Struggle in the Sphere of 'Judiciary'

The workers' struggle against privatization in the sphere of 'judiciary' proved quite successful when the High Court in its two judgements and Supreme Court in its observation clearly criticized the process of privatization and gave some new orders in this regard.

These judgements were self-explainatory and for the first time exposed various irregularities in the privatization deal. In the High Court of Allahabad, Justice B.P. Jeevan Reddy and R. B. Mehrotra while delivering the judgement on 22-7-91 in the Civil Writ Petition of Churk Cement Adhikari Kalyan Samiti, Churk Cement Mazdoor Sangh and other unions verses State of U.P. and others, observed : "...By a proceeding dated 27th August 1990, a committee know as privatization committee was constituted by the government to negotiate with prospective enterpreneurs in the matter of privatization of loss-making government units...The first meeting of the Privatization Committee took place on 11-9-1990 where it deliberated upon the various aspects of the job entrusted to it. One of the important matters discussed at this meeting was 'valuation' of the units. One of the members Sri A. K. Puri expressed the opinion that it is essential to have all the units valued properly by reputed approved valuers. It was necessary, in his view, to find the main assets and investments in each of the units.. Sri Puri also suggested names of five approved valuers for this purpose ..It is significant to notice that in spite of this decision, the unit in question (UPSCCL) was not got valued by any of the afore-mentioned valuers/agencies."

The Hight Court order further ellaborated the hidden mechanism of privatization process : "...What happened is that during the course of negotiations with ACC, they suggested on 13-9-1990, that report of a chartered accountant be obtained to determine the present value of the share of the Corporation and also to have a physical verification of its assets. The ACC also indicated their choice of the chartered accountant, namely Billimoria & Co. Accordingly, the said firm of chartered accountants was asked to value the shares. They valued shares at Rs. 20/- per share. They did not undertake valuation of assets. A good amount of criticism has been levelled against the basis adopted by the said firm for valuing the shares, and the manner in which they went about their job. It is really unnecessary to dilate upon the correctness of their report, because no one appears to have attached any value to it. The Dalmia Industries offered to purchase 51% shares of the Corporation at Rs. 45/- per share, without askings for any kind of concession, facility of accomodation. This shows that 'the valuation made by the Billimoria & Co. was wide off the mark.'

The High Court order also dealt with the question of the value of assets of UPCCL : '...According to the petitioners, the value of the assets of Corporation is more than rupees 700 crores. In the counter-affidavit filed by the government, the figure has been disputed as exaggerated and incorrect, but the government has made no effort to give its own figure. The fact remains that the corporation owns 13.5 sq. kms. of land, wherein are situated factories and other buildings, six residential colonies comprising five thousand dwelling units, six recognized educational institutions, besides limestone mines and a building called 'cement Bhavan' at Lucknow. There is a subsisting contract for supply of slag with Bokaro Steels, whereunder, according to the petitioners, the corporation gets slag at 1/3rd of the market rate. The above particulars relating to the assets of the Corporation are not denied in the counter affidavit.'

The judgement further made a severe criticism of the deal and said that 'we are left wondering whether any of the persons responsible for the deal would have acted in the same fashion, if they had been selling 51 percent shares in a company owned by him.' The judges appointed two agencies to independently value the assets and liabilities of UPSCCL. Both the agencies were supposed to independently do their job and submit their reports separately within two months.

Sanjay Dalmia Industries Ltd. had filed a Special Leave Petition before the Supreme Court challenging the order of the Allahabad High Court. On 23-8-91 Justice L. M. Sharma and J. S. Verma in their order refused to interfere in the High Court's order. They said that where it is a matter of public interest, the High Court has all the powers to question and verify the consideration adopted for selling a public property of crores of rupees. The judges also observed that the issue of UPSCCL no more remains limited to the workers' interests only. It is now a matter of grave public interest.

In an another case, the Allahabad High Court delivered an equally significant judgement. The General Manager of Dalla Cement factory Mr. Dharamvir Kushwaha was arrested by the police on 4th June 1991 after Dalla police firing. While the G. M. was in jail, the National Security Act was served to him for this detention by District Administration. The G. M. challenged his detention in the Allahabad High Court. Justice N. L.

Ganguly in his judgement on 17-7-91 said that '...there is nothing in the original record to show that the ground of detention were supplied to the petitioner-detenue It is not permissible in the matters relating to personal liberty and freedom of a citizen to take either a liberal or a generous view of the lapses on the part of the officers, in the matter where the liberty of the citizen is involved.'

The judgement also throws light on police firing in front of Dalla Cement factory by cross-checking various versions :

"...The Executive and Police were given all powers to enter and cease the premises of the factory and even to cease the share certificates kept therein. There was a resentment in the workers of the factory and the workers and employees of the factory had resorted to peaceful demonstration against the process of privatization. The action taken by the police and the FIR lodged by the station officer of police station Mahim Pratap Rao show the result of the hasty action of the state government in the process of privatization of the company, so that a change of hands could be made before the new government comes to power...It cannot be said that the respondents-state was acting bonafide and the state was acting in accordance with law when (we see) the background of the hasty steps initiated by the state government for handing over the share certificates and physical possession to the representatives of the Dalmia Industries. The senior officer of the company, was thus taken into custody after the FIR so that there could be no resistance in smooth handing over of possession to the representatives of the Dalmia Group of Industries..." After branding the detention 'vitiated', the judge quashed the order of detention.

It is significant to note that during this period another fraud committed jointly by Sanjay Dalmia Industries Ltd. and U.P. Government departmentts got thoroughly exposed. The transfer of 49 percent of shares of U.P. Cement Corporation in favour of Dalmia Industries was highly controversial. On May 24, 1991 the High Court also issued a clarification and asked Registrar of Companies to issue a certificate about the state of transfer, as on 24-5-91. The then Assistant Registrar of Companies blatantly collided with Dalmia Industries Ltd. and issued a certificate confirming the transfer of shares in favour of

Dalmias. And Dalmias very swiftly changed the composition of Board of Directors according to shares ownership. But now the Registrar of Companies issued a fresh certificate and clarified that the transfer of shares to Dalmia Industries Ltd. and their nominees was truely completed only on 1-6-91. On this ground only the Board of Directors, including directors nominated by Dalmia groups could not function because High Court observation clearly said that the Board of Directors could function only if the transfer of shares had taken place by 24-5-91.

But the collapse of Mulayam Singh Yadav government, High Court judgements, Company Registrar's certificate and widespread condemnation of privatization deal all over the country actually had no bearing upon the Sanjay Dalmia Industries in their pursuit of privatization. Actually Dalmia Industries also utilized this time gap to intensify its activities. Actually Dalmia Industries wanted some more time for manouvering and establishing their hegemony within the factory premises. And state government and their concerned departments were prepared to give them that time, and were infact doing so till recently, under one pretext or another.

Dalmias first tried to break the solidarity of various worker's organizations fostered during the course of the struggle against privatization. This move became very obvious in the Supreme Court only during the hearing of SLP filed by Dalmia Industries, when they tried to file an affidavit of 3 unions stating their approval of joint venture agreement and seeking withdrawal from the High Court case against privatization. The Supreme Court strictly disallowed this move. But this move gained some ground outside the court premises and some union leaders from BMS (the BJP's trade union) and INTUC shook hands with Damias again.

Dalmias also tried hard to commence production in the Dalla, Churk and Chunar factories by hired or contract labourers. These plants had been closed since June, after the Dalla incident. They miserably failed again and again in ensuring the worker's participation. Then Dalmias decided to restart the Chunar Cement Plant in September by buying clinker from the open market. The move to restart the Chunar plant was a cleverly designed token posture done to break up the workers' struggle.

But most important, the Dalmias tried to influence the BJP led new state government During the election time, BJP leaders were one of the most outspoken people against UPSCCL privatization. But after the elections, Dalmia's people openly announced the family relationship between Vishwa Hindu Parishad supremo Vishnu Hari Dalmia and Sanjay Dalmia, at Dalla, Churk and Chunar. Soon after, the BJP leaders and ministers changed their utterances on this issue. And the Chief Minister of U P. Mr. Kalyan Singh and his various colleagues constantly tried to dilute the issue: 'We will re-examine the issue'; 'We will modify the deal'; or 'We will protect the interests of the workers'—these were the regular stereotype statements issued. The local BJP MLA Mr. Tirath Raj had from the very beginning been extremely active in the workers' struggle against privatization and had criticized the local BMS leaders for their dubious stand. At this point also he took a critical stand regarding the shady attitude of the BJP state government.

As always happens, various opportunistic political forces also tried hard to capitalize the situation in this period. In Delhi, in the month of September, all of a sudden a Congress M. P. Mr. Ratnakar Pandey led a Workers Delegation of UPSCCL to Prime Minister Mr. P. V. Narasimha Rao and demanded that a parliamentary committee be set up to inquire into incidents of firing at Dalla and the Central Government should take immediate steps to hand over these units to Cement Corporation of India. As usual, Prime Minister had assured them and then nothing happened.

In September only, the notorious Mulayam Singh Yadav led a delegation of the Samajwadi Janata Party leaders to Governor B. Satyanarayan Reddy and submitted a memorandum, urging him to intervene, to ensure the reopening of Dalla Cement Factory. In the midst of various judgements vindicating U. P. government and public outcry against the privatization deal, Mulayam shamelessly reasserted his privatization move. He also accused the BJP chief minister and some of his cabinet colleagues of 'minting money' through continued closure of the Dalla Cement Factory because 'the closure had reduced competition in cement prices and had helped the cement dealers in Madhya Pradesh to get Rs. 15 to Rs. 20 extra per bag.' Since Mulayam Singh Yadav became a dirty word in the whole affair, his reassertive moves and sensational charges went unnoticed.

But this slowly building counter offensive by the culprits was clearly on the stage. Mr. D. K. Mittal, Special Secretary, Industry Department, U. P., also dared to defend the deal between government and Dalmias. And this he had done under the BJP government !

The Final Phase of Worker's Struggle

The workers of all the three units of UPSCCL were very firm in their struggle against Dalmias and U. P. Government. They were starved. They were under duress from the administrative and management side. They were in constant need of funds to run their struggle. They were always being betrayed by some or the other union leader. But in spite of all these odds, they were continuing their heroic struggle. The various judgements, the new offensive of Dalmias and exposure of BJP government shook and strengthened the workers' movement.

All the unions, irrespective of their affiliations and the Officer's Associations in the three units formed an 'Ekta Samiti' to carry forward the struggle. The BJP MLA from Robertsganj was also closely associated with the Ekta Samiti. It was constantly on the move and this proved to be one of the major strength of theworkers' movement.

Again and again Dalmias requested the agitating workers to restart work and collect their salary amount. The workers had not been paid since June and their salary for rhe month of May was also due. But the workers overwhelmingly rejected this offer.

In Dalla, Churk and Chunar, a series of protest demonstrations, rallies, dharnas were organized by the Ekta Samiti. Always hundreds of workers remained at Dalla to guard the factory and prevent the entry of Dalmias. It is also significant to note that workers, by their intense activities and sacrifices, were also successful in ensuring the emotional and financial support of the common masses of the region. In Sonebhadra district, one noticed everywhere this support base of the worker's movement.

The all India solidarity actions also sharpened, proving their point clearly on a national basis. Under the call of Confederation of Public Sector Trade Unions, the workers in the public sector undertakings and the national federations observed protest demonstrations all over the country on July 2 demanding revocation of privatization proceedings; judicial inquiry into the firing incident; suspension of the D.M. and S.P.; compensation to the families of the killed and to the injured workers etc. At Delhi the CITU organized a dharna before the P. M. 's place on July 2 and a delegation led by Samar Mukherjee met the P.M. and submitted a memorandum of demands.

The All India Cement Workers' Convention held at Delhi on September 5, 1991 under the joint auspices of AITUC, CITU and HMS called upon all the unions to extend their support to the struggle of the Dalla workers and to collect fund in aid of the workers including the families of the victims of the police firing etc. A relief fund was also set up. The left trade unions, especially AITUC and CITU had consistently taken up this issue in the state capital and Delhi and organized various programmes. The All India Trade Union Convention against the Economic Policies of the Government held at Delhi on September 17 with the joint initiative taken by CITU, AITUC, HMS, UTUC, TUCC, UTUC (LS) and ITUC (Dara) gave a call for countrywide Industrial Strike on November 29 and in its resolutions the Dalla workers' struggle and sacrifice became a focal point. A number of industrial federations announced contributions to the Dalla Workers Relief Fund.

The workers struggle against privatization took a new turn on 26th August '91 when all the workers and officers with their families came down to Lucknow to start an indefinite dharna before the State Assembly demanding an interview with the Chief Minister, who had refused to meet any delegation so far. Despite heavy rain and hand to mouth situation, the workers and their families remained firm and continued their dharna.

The daily life of Lucknow was influenced by the militant actions of the agitated workers. This new turn instilled a new life in various trade unions of Lucknow and also all over the state. There were a series of solidarity actions of various streams and this really shook the capital. Ekta Samiti leaders, BJP MLA Tirthraj Singh and CPM leader Subhasini Ali channelized the movement.

On 29th August, one worker, Nepali, died of hunger and exposure. A large number of workers under the leadership of Subhasini Ali had gathered at the hospital, where the worker had died. The plan was to carry the dead body of the worker in a procession for cremation. But later at night, the situation became tense when the police refused to give permission for the procession or to hand over the body to the family. Hundreds of workers alongwith Subhasini Ali were arrested late at night and whisked away in a jail several miles away from Lucknow. The police then poured petrol on the dead body and burnt it. They were ultimately released after three days when 3 CPM MPs from Delhi rushed to Lucknow and met the Governor and Chief Minister. The U. P. government in the mean time offered a compensation of Rs. 25,000 to the wife of Nepali, which she refused. The workers continued the dharna with stronger determination.

Finally on September 4 the Chief Minister met the leaders of Ekta Samiti. He refused to give any commitment to the workers regarding the privatization issue. On the contrary, the Chief Minister asked the workers to restart the factory in its present form, as desired by Dalmias also. The talks failed. But the struggle continued. The Chief Minister refused to meet any further delegation. Ultimately he was forced to depute the state education minister to talk with the delegation of the Ekta Samiti on September 7.

The government wanted time upto 30th September. In the meantime, the government promised to pay the workers money equivalent to one month salary, and to reopen all the three units within 15 days under government control. Thus after 12 days, the dharna was withdrawn on the basis of these commitments. But the Ekta Samiti announced that day only that they would launch the agitation again from October 2, if the Chief Minister fails to accede to their demands.

Again nothing happened from the government's side. No payment, no reopening and no 'positive action' against privatization. Again thousands of workers of the three units were in Lucknow and launched a 'do or die' struggle from October 4, '91. This phase of the workers' struggle was so intense and full of activities that within 3-4 days thousands of workers were able to organize continuous gheraos, demonstrations, meetings, dharnas etc. in Lucknow. Hundreds of workers courted arrest. The state capital was once again surcharged with the movement. The district administration was so panic striken that about 4,500 workers were arrested in connection with the agitation. On 8th September, agitation workers were severly lathi-charged and many were injured. The second phase of workers' struggle in Lucknow also inspired a series of solidarity actions, especially by left led trade unions. After the lathi charge incident, the workers' militancy knew no bounds and there was a grave 'danger' and 'fear' of it spreading all over the state.

The government was virtually cornered. Tactically also it was faced with the grim fact that if no concrete decision in favour of the workers was taken, it would face increasing unpopularity, which it could ill afford at this particular time as mid-term elections were fast approaching. But above all it was the sheer strength and commitment of the workers' movement which drove the government to move against the decision regarding privatization.

When the protagonists of the New Economic Policy are busy blaming the workers for the various ills of our economy, it would be worth noting that it is precisely this working class and their movement which saved a public sector from being grabbed and looted by corrupt politicians, bureaucracy and the private sector.

After deprivatisation, the workers and the new management started working with a new sense of belonging and determination. The work ethics of workers changed, their productivity increased and the new management tried to stop the various irregularities in the factories. This showed encouraging results from the very beginning and within two months of renewed production, the factories showed record turnover. This trend continued. At the time of the restoration of the corporation to the public sector in October 1991, its production was 19,500 tonnes. This started rising and reached gradually to 87,000 tonnes in March 1992.

The new managing director of the corporation, Mr B.S. Lal publicly complimented. The workers for their devotion to work. Encouraged by this trend, he announced on 4 May 1992 in Lucknow that the company would achieve an all time record production of 15 lakh tonnes of cement next year. With an efficient use of power and better availability of coal, the corporation hopes to bring down the cost of production as well. And in the near future it is hoped that UPCCL will be the leading supplier of cement in eastern UP and parts of western Bihar.

The workers' movement has the strength to push the government into calling a halt to its privatisation moves. The workers' alternatives have also the capacity to deliver the goods.

III

Another Visible Challenge

In Uttar Pradesh, workers' struggle against privatisation of public sector companies continues. The workers under the banner of 'Auto Tractors Limited Action Committee' had started a new phase of struggle against privatisation from October 2, '91 in the state capital Lucknow. Indefinite dharnas, demonstrations, rallies, gherao, court arrests are going on. Recently the central trade unions including the BJP affiliated BMS and various federations had organised solidarity actions. More than 60 BJP MLAs also demanded a scrapping of the privatisation deal. The 'Action Committee against Privatisation' in UP, which consistts of INTUC, AITUC, CITU, HMS, state government, central government and public sector employees unions and which came into existence after the BJP led state government annouced the policy of privatisation of public sector companies, also took up the cause of auto tractor workers.

More than 1000 workers of Auto Tractors Limited have been thrown out of their jobs after the privatisation deal. They are in a pathetic condition but have been very firm in their struggle for the last one year. The privatisation of UPCCL and Auto Tractors Ltd. have striking similarities. Both these state sector companies were privatised at throw away prices, in the same period, and under the Mulayam Singh government. Like UPCCL, in the case of Auto Tractors Ltd. also, the state government, bureaucracy, and industrial houses collided and the workers not only exposed this collusion, but also adopted an agitational approach. But the workers' struggle of Auto Tractors was initially constantly ignored in established trade unions and media circles. The successful struggle of UPCCL workers made them conscious about the potential of workers' struggle against privatisation. And now the Auto Tractors workers' struggle has become a rallying point of trade union struggle in UP.

But the BJP led state government's open hostility against worker's and other socio-economic movements makes the situation extremely difficult and repressive. The BJP state government clearly seems an enthusiastic supporter of new economic policies of central government and has also initiated many privatisation policies. Had it not been for the intense working class struggle. the BJP government would have never reversed the privatisation deal of UPCCL. Though the BJP leaders, including the present Chief Minister Kalyan Singh, opposed the privatisation deal of Auto Tractors Ltd. during the Mulayam Singh Yadav's regime. They supported the workers' agitation and openly announced during the election campaign that if the BJP was voted to power, they will scrap the Auto Tractors privatisation deal. But now the BJP government is trying hard to resist and reverse the rising tide of workers' movement.

The Auto Tractors Ltd. : It's Conspiratorial Closure

Initially in December 1972, a private company Automobiles Products of India (API) proposed to set up a small tractor factory in UP and registered the company as Auto Tractors Ltd. But this registered company never started off production and instead started importing and marketing Leyland-154 tractors from U K. It is also said that when the UP government requested the company to start production and establish a factory in Pratapgarh, the company refused to do so. Then in July 1976 the UP government cancelled the company's registration and at the same time decided to establish the factory in Pratapgarh in the state sector. But the production only started in 1981, with the total product cost of 1886 lakh rupees. The state government gave 750 lakhs and the financial institutions contributed 1136 lakhs. Finally the project cost escalated to 8 crore rupees, the technical know how was imported from British Leyland and the responsibility of the overall technical supervision was submitted to HMT. The annual production capacity of Auto Tractors Ltd. (ATL) is 7500 tractors and 2500 engines. The production target decided at the time of commencement of production was 6000 tractors and 2000 engines annually.

The details of various assets of ATL shows its richness and its equal compatibility with any automobile industry in the country. The company owns 152 acres of land of which the factory premises and residential area covers 98 acres and 54 acres respectively. The details of project cost show land and development cost : 30 lakhs, plant and machinery cost : 1034 lakhs, building cost : 316 lakhs, furniture : 8 lakhs and transport - 16 lakhs. And the break up of various installed machines shows that there are 40 machines in Light Machine Shop, 53 machines in Heavy Machine Shop, 10 machines in Heat Section, 29 machines in Tool Room, 50 machines in quality control section and 65 other machines. It is also estimated that raw materials worth 400 lakh rupees were lying in the factory premises at the time of the privatisation deal.

When the factory at Pratapgarh was set up, it was also decided that since it is in a backward region, and the company will incur losses in the first three years amouting roughly to 780 lakh rupees; hence the state government also gave a commitment IDBI that ATL will get an interest free loan to compensate for these losses.

ATL started its production in 1981-82. The actual production was 151 tractors, though the production target was 500 tractors. The gap between actual production and target increased year-by-year. When the company achieved its highest production of 721 tractors, the production target was actually 3500 tractors. In 1988-89, only 36 tractors were manufactured out of the target of 6000 tractors. The company had made a new beginning in 1983-84, when a new product Auto Land—4000 Diesel Engine was introduced. This engine proved energy efficient (20.3 km. per hour) and became popular also. The company produced more than 1000 engines during three years and for the first time got an export order of 60 engines from U K.

But the government was moving in a different direction.

The various appointments from top to bottom at the behest of politicians, various government decisions, corruption and inefficiency proved fatal for the company. Also from the very beginning, the government never fulfilled its commitment to compensate for the losses in the initial years. Because of this only, the company accumulated a loss of more than 400 lakhs till 1984-85. In the beginning, the company had a workforce of 674, but in 1984-85 it reached 1398. The company paid 33 lakhs in 1981-82 in pays, perks, which increased to 1302 lakhs till 1988-89. The company product was well received in the market, but it was ironical that when all the other tractor companies were making a profit, ATL was continuously running in a loss.

Corruption reached its peak in this state sector. Company records say that during the tenure of one managing director, Rs. 107962 was distributed as prizes. In 1989, conveyance cost was Rs. 98427.06, cost of official tours was Rs. 638697.72 and others, Rs. 445788.72. The workers' union and local politicians had time and again demanded a thorough enquiry into the various corruption charges, but no enquiry was ever constituted. However, the government did constitute altogether 6 different committees to go through the causes of losses and make concrete recommendations about it. The committee reports never came to light.

The state government gave a death blow to ATL in 1986 in an extremely conspiratorial manner. The government suddenly stopped giving finances to purchase the raw materials and announced that government finances would be provided only for salary and other infrastructural costs.

This government decision forced the company to stop production and from 1986-87 only, skeleton production process continued. But the annual expenditure of around 350 lakhs in pays and other heads continued. Workers' suffering increased in varied ways. The monthly salary always got discontinued for 3-4 months. The workers and their families were humiliated and were threatened to leave. When the workers started their agitation, they were officially assured that the company will be reorganized and diversified on the basis of the technical committee reports, within a short span of time.

But suddenly on the midnight of November 21, 1990, ATL was declared closed by the Managing Director. The notification issued by him stated that 'the company is being closed because of the accumulated losses of 57 crores. All employees are being retrenched.' The notification also orderd the employees to vacate the houses immediately and only after that could they collect their dues. A large number of PAC surrounded the factory and workers' colony. At the time of the closure of the factory, the workers were not even paid for the last five months. The government under the leadership of Mulayam Singh thus again acted in an underhand manner regarding such an important decision of closing a state sector company.

It is also significant to note that before its sudden closure, the ailing tractor unit had shown some signs of revival. ATL had obtained a huge order for 284 tractors and 4000 diesel engines from England, Turkey and Bangladesh, to be executed by November 30, 1990.

The Privatisation Process

After the closure came the privatisation, initiated by the then Mulayam Singh government. The privatisation committee constituted by the government considered the case of ATL and decided to transfer the company to a joint sector. It is also significant to note that the Chairman of ATL was also the chairman of the privatisation committee.

In a confidential letter dated December 11, 1990, to the Chief Secretary, U.P. Government, the Chairman of the privatisation committee stated that '...According to government orders, the ATL has been closed completely...All employees have been retrenched...' In the same letter the Chairman proposed the various details of the deal and that proposal became the basis of a memorandum of understanding with the private company Sipani Automobiles Ltd. (SAL). Banglore based SAL manufactured the Badal, Dolfin and Montana cars which had proved unsuccessful in automobile market.

ATL workers also claim that Sipanis are in no position to revive the unit, with their flagship company itself showing losses of over 2 crores in the last balance sheet. Besides, Sipani's production record is also dismal, with just around 3000 cars of different makes having been produced in the last 15 years.

According to the memorandum of understanding, the company was to be in the joint sector. The equity participation of State government, SAL and people was to be in the proportion of 26 : 25 : 49 respectively. Sipani Ltd. was to pay 1 crore to state government within a month of signing the privatisation deal. The remaining 4.5 crore was to be invested in Auto Tractors Ltd. The Company was to return this money to state government after three years in five instalments. The SAL was exempted from the obligation to pay all long term loans of state government and financial institutions, and in place of this the state government was to pay all the loans. On the board of directors, the state government was to nominate the Chairman and three other directors, the SAL was to nominate full-time managing director and four other directors. The SAL was to absorb 600 to 700 employees within a year. Altogether 1000 employees were to be absorbed, but all recruitment was to be considered fresh.

The above mentioned confidential letter written by the Chairman of the privatisation committee also mentioned some hidden understanding in this privatisation deal. The letter states, "...I and Chief Secretary, Industries had a talk with the Chairman and Director of IDBI in Bombay. We proposed that if the state government would write off their loans, would it be possible to write off the interest on the loans given by IDBI and rescheduling of loan payment in 3 or 4 instalments? The Bank informally accepted the proposal..."

The detailed analysis of privatsation deal clearly shows the blatant favouritism and lies by the government in favour of SAL. After ruining this state enterprise, the government virtually gifted ATL in private hands.

In the privatisation process, the government appointed a private Chartered Accountant to evaluate the assets of Tractors Ltd. That evaluation values the assets only worth Rs. 8.8 crores, whereas the other valuation estimates the assets upto Rs. 100 crores. Not only the credibility of a private chartered accountant in this particular case is questionable, but the whole process of valuation was done in a very hurried manner. It started only after the closure of the factory and was completed within a month. It is rather strange that even this valuation was not followed in the privatisation deal and the asset valuation was reduced to 7.5 crores, without giving any adequate reason for it.

The state government had written off the loan, its interests and other financial commitments of the company. This was around 5500 lakhs. SAL had to pay only 1 crore. No timeframe was decided for the remaining payment and apart from this, there was a concessional interest rate of only 9 percent, whereas the prevailing bank interest rate is 18 percent.

According to the MOU, the joint sector participation of government, SAL and people was to be in the proportion of 26 : 25 : 49. But in actual terms, SAL is going to hold 49 percent shares because it will show that the dealers hold 9 percent and others hold 15 percent share. Thus in actual terms the proportions of government, SAL and people's share will be 26 : 49 : 25 respectively and the company will be converted into a private sector company. SAL will also enjoy a majority in the board of directors.

The MOU was also very shady regarding workers' employment. Officially more than 300 workers were declared surplus. The commitment given about 1000 workers was also camoflaged by the clever wordings of efficiency, productivity and capacity.

Infact, the ATL workers' union obtained a stay order from the Allahabad High Court on November 27, 1990, restraining the government from selling the company. Defying the stay, the state government went ahead and signed the MOU on February 19 and the sale deed on March 19, 1991. The court has now issued contempt notices to the state government in this regard.

The privatisation deal of ATL is a blatant case of corruption and underhand dealing by state government, bureaucracy and a private company. The various state governments never accepted any proposal, initiated by the worker's union or management, to write off the loan or interest amount for the revival of the company. They never granted any tax concessions. They never constituted any inquiry on the numerous serious charges of corruption. It is also alleged that government even fabricated the loss amount of the company. The officially stated loss amount of 57 crores does not take into account the government breach of initial commitment of compensating the losses. It does not consider the financial consequences of stopping the production for the last four years. But the government held no barriers in giving concessions to SAL. In fact, SAL deal by Mulayam Singh Yadav is commonly called 'Mulayam Bofors' in concerned circles.

Workers Against Privatisation

Workers and their organisations had never been consulted about the privatisation plan, nor did they have any inkling of the government conspiracy to first close down the factory and then to privatise it. But after the closure of the factory, workers were faced with severe repression. The PAC, local police and district administration jointly attacked the workers. They first tried to get the workers' colony vacated and also adopted various terror tactics.

Then various trade unions working in ATL jointly formed the 'Auto Tractors Ltd. Action Committee'. This committee started challenging the government moves with renewed organisational efforts. This joint committee increasingly gained strength and since more than a year it has not only remained intact but is also involved in continuous agitations. Factory workers started an indefinite dharna in front of the factory gate from the last week of November 1990. Then indefinite relay hunger strike, protest meeting, rallies, demonstrations and various other programmes were organised. The workers' agitation was positively received by various trade unions, political parties and common people in Pratapgarh. Congress, BJP, Janata Dal and left parties leaders supported and actively participated in the workers agitation. The workers demanded the reopening of the factory and a thorough enquiry and restructuring of the working of ATL.

But in a sudden move, Mulayam Singh government stuck a privatisation deal with SAL. In the meantime SAL with an open connivance with the administration, started recruiting temporary workers, which continues now-a-days also. In the changed situation also, the ATL Action Committee continued their agitational programme, but they had virtually no hope for justice from the Mulayam Singh government. And the agitation became a token one.

After the installation of BJP government, the workers hoped to get justice. They now demanded a scraping of the privatisation deal; to coordinate the working of ATL with central public sector HMT or to submit the factory to workers' cooperative. But their hopes were slowly and slowly belied as the BJP government changed it face and drifted away from its initial commitment to workers' cause.

The Action Committee had to intensify its agitation again. The workers again organised a series of protest actions in Pratapgarh. Then from October 2, 1991 they launched an indefinite dharna before the assembly bhavan in Lucknow. They demonstrated before C M.'s house, started courting arrest and organised chakka jam in various parts of the capital city. The workers' family—women, children, joined the agitation in large numbers. Workers were lathicharged many times, more than 500 workers were arrested and sent to various jails.

Auto workers' agitation gained extra momentum from the second week of December'91 when various central trade unions and federations started solidarity actions in Lucknow. The struggle continues and the Auto workers are determined to carry forward their agitation inspite of the continued silence of the U.P. government. Their agitation marks another landmark in the struggle against privatisation.

4

Private Sector

Workers' Cooperatives As An Emerging Alternative*

Workers' Cooperatives are an emerging alternative in our country today. The objective situation in the country forced the workers to take a decisive role with respect to the revival of potentially profitable sick companies in the private sector. And of these, the take-over by workers of Kamani Tubes in Bombay has proved beyond doubt the workers potentiality to successfully run a company. Today, the workers are also continuing the argument and struggle for an adequate policy formulation in support of workers' co-peratives.

It is significant to note that prior to Sick Industries (Special Provision) Act of 1985 and Kamani Tubes Limited experience, there had been a number of instances of workers' take over and in most cases they had been successful. According to Nagrik Manch, Calculta, "In West Bengal, workers co-operatives are

* This report is prepared along with Charu Gupta. Interview with D. Thankappan had been taken last year by Charu Gupta and Mukul together.

functioning for more than a decade by taking over the units in which such workers were in employment. There are about 12 such co-operatives of which one running the New Central Jute Mill employ about 13000 workers. The motive force for the formation of such co-operatives was to ward of the evils of unemployment of the workers and initiatives were of a section of such workers." It is also noteworthy that all these co-operatives are operating at moderate profits for many years.

Renowned Writer Sharit K Bhowmik, who specialises on workers' issues, wrote in 1991 that "Tripura had nine tea plantations which were run by the workers in 1986. The first co-operative was formed in 1978 by a group of retrenched workers who started a new plantation called Tachai Tea Estate. The other co-operatives which followed were formed after these plantations had become sick and had closed down. The state government helped these co-operatives by providing financial assistance. By 1986, five of these co-operatives which were formed between 1978 and 1983, had become financially viable. Hence even when government support was withdrawn in 1988 after the state government changed, they were able to function. However the four co-operatives started in 1986 had to close down because of the hostile attitude of the new state government."

But it is also true that many of these co-operatives have not emerged as an alternative economic or management concept nor to further any ideological objective. The Kamani experiment for the first time led to the emergence of an alternative management and economic objective also. The Kamani workers and their union, under the leadership of D. Thankappan, also continued their struggle to popularise the experiment of workers' co-operatives in other places of the country, to strengthen work-place democracy; and to make workers' control more meaningful.

I

'The Story of Kamani'

"...A new chapter is being written in the history of workers' struggle for their genuine identity and honour...thousands and thousands of workers who live in similar condition will eagerly await the results of this brave experiment. On its success or failure depend the future dreams of thousands and thousands of workers..."

These are parts of a decision of Supreme Court given on September 19, 1 88 through which workers' takeover of Kamani Tubes limited was given the final sanction. This signifies a new emerging identity of the working class, which has traversed through a difficult journey, before aquiring a face. In a depressing atmosphere of lock outs, closure of sick units etc., the workers and workers' union of Kamani, due to their firm determination, have change their present as well as their future.

Established in 1959, Kamani Tubes Ltd. was a normal factory engaged in making pipes and rods of non-ferrous metals. These productions of the factory were used in other factories engaged in electricity, air-conditioners, refrigerators, sugar and petrochemicals. The factory used to run in substantial profit and used to fulfil 60% of the demand in its region of the country.

However by 1975, factory faced a crises—it is said that the main reasons for this were—infighting among members of the Kamani family and its mismanagement, negligence, corruption. By 1980-81, the condition further deteriorated leading to a stage whereby between February and April 1981, the factory closed down as the bank refused to give any further loan since the old ones were not yet repaid.

Then with the intervention of the state Government the factory reopened. In 1983 there was a small fight in the factory and the management resorted to lockout. However, at that time, crores of rupees of banks were invested in the factory, which could only be returned if the factory was run. Thus they intervened in 1984 beginning to again get the factory reopened. But since December of the same year, the workers stopped getting wages and they continued to work without wages. But things reached the ultimate in September 1985. In this month the municipal corporation cut the electricity and water connections, since their bills had not been paid for a long time. The factory was now closed permanently. Owners, managers—all disappeared from the factory but the workers continued to guard the machines.

At that time there were about 700 jobless, poverty—striken workers of Kamani and they had their Kamani Karmchar Union. This army was ready to fight against factory closure and was trying to search for new ways for doing so. The union appealed to the judge who used to mediate during the time of financial controversies in Kamani family. The appeal was rejected. Then the workers appealed to the Supreme Court and on the basis of its order, workers viewpoint was also included. But this also lead to nowhere.

Then the workers offered the proposal to run the factory by forming a workers' cooperative but this was rejected by the state government & co-operative department.

In Jan. 1987, due to the implementation of Sick Industries (Special Provision) Act and the formation of BIFR, the workers gained strength, as the Board was also given the right to form schemes for the formation of workers co-operative to run sick industries. The workers filed a petition in the Supreme Court, requesting a bearing of workers' plan. Then the Supreme Court sent the workers' plan to BIFR. The Board, Industrial Development Bank of India and the union together made certain improvements in the plan. At the appeal of the union, the Supreme Court issued another order to the state government to register the workers' cooperative. The Board gave its final nod to the scheme. In September 1988 came an important de ision of the Supreme Court that the workers be granted permission to restart the factory and all the related sectors—government and financial institutions—extend their cooperation to it.

The 3-4 years after the closure of factory, were years of intense struggle, unemployment, working here and there on daily basis and expenses of the Supreme Court. Two workers committed suicide during this phase. But the workers had full faith in their scheme. However they had to travel over the difficult path of convincing the bureaucracy, financial institutions and Supreme Court.

After covering this, a new face of the factory emerged. The workers cooperative had to collect an initial capital of 70 lakh rupees to start the factory. Only after this amount was ready had the state government promised to give another 70 lakh rupees. There were 600 members of the workers cooperative. All of them gave 2-2 thousand rupees from their provident fund and each one also took Rs 10,000 as loan from the IDBI, and thus collected the initial amount. On the instructions of the Board, 91.6% of the shares of Kamani family, at the cost of of Re. 1/- per share were transfered in the name of workers cooperative. Besides this the company also distributed new shares worth Rs 1.3 crores

There was to be a new board of the factory. The composition of the board was to be as follows—2 representatives of state government, 2 from workers' cooperative, 2-3 professionals from related fields, 1 each of bank and board. Besides this with the advise of IDBI and other banks, an independent president was to be chosen and also a professional managing director. In the new board, the two representatives of workers' cooperative were Y.V. Chauhan and D Thankappan, who as president & working president of Kamani Workers' Union had been a part of all the struggles.

Many committees were to be constituted for democratic working and coo-dination of the factory. Plant based committees were formed, consisting of workers and representatives of managers in different units, to look after everyday work of the factory and meet production targets. A managing committee was also formed consisting of representatives of workers union, cooperative and bank, as well as managing director of the factory. Also to look into the work of workers' cooperative at different levels, various committees were formed.

Along with all this, the workers were determined to make the plan work. They took an oath that for the coming three years, they would seek no wage increase. Besides, in the first year they would take only 75% of their wage and in the second year 85%. Also till the factory starts in December 1985, they decided that they will take their wage dues only after other dues were paid.

According to the instructions of the Board, in the beginning it was possible to have only 600 workers and even after giving temporary jobs against leave to some, 70 workers remained unemployed. This was an issue which could create division among the workers. The union then suggested alternative means of livelihood for the unemployed, like formation of a cooperative to pack Kamani products, transport service for bringing raw materials etc. Besides other criterias for employment were also worked out : the workers who had become totally disabled could take all lawful benefits and seek voluntary retirement. Workers who used to get drunk and create problems in the factory were not to be re-employed. Also the union decided that for seeking re-employment, a worker need not necessarily be a member of their union. The employment would be on the basis of calibre and qualification.

Even after this new face of the factory was emerging, many serious questions and doubts remaimed—Will the factory really be able to start ? Will the workers be able to keep a control over the factory by keeping just two representatives in the Board ? Will the workers be able to run the factory ? Will the products of the factory be sold ? Will the Board, financial institution and bank be able to maintain an equal and friendly attitude towards the workers ? Will this experiment also spell a doom to workers movement as happened in the case of unsuccessful textile mills strike in Bombay ?

But at that time there were no definite answers to these questions. It was clear from the last verdict of the Supreme Court that now the responsibility of reviving Kamani rested on the shoulders of union and workers. The state government, financial institutions, Bank and Board had fulfilled their roles of co-operation and were keeping a vigilant eye on the workers.

In a few months only, positive results started emerging and what also came out was the fact that workers could run the factory successfully. Within three months of starting production, the production crossed the envisaged target. The company forwarded the difficult work of searching for market for its products and also faced its rival companies. When the factory started its main production of tubes for sugar industries, other competitive factories reduced their rates by 20,000 per metric ton. But inspite of this, within one year the company produced 859 metric ton tubes and 195 metric ton rods. The targets set and approved by the board, bank and state government, were fully met. Now the workers have full faith that they will be able to start manufacturing other important products and will also start the necessary modernisation.

Under Kamani Workers Union, Kamani Tubes Ltd, until now has been totally successful in various fronts like production, profits, facing competition in market etc. But the criteria for success of Kamani are not limited to this alone. The journey of Kamani has started with ensuring actual control of workers, their participation and above all with the dream of making their life beautiful. But they have many more miles to go.

II

An Interview with D. Thankappan

☐ **What is the state of Kamani Tubes now ?**

D. Thankappan : After the takeover of Kamani by workers, there has been continuously good production. In record time, the condition of the factory was improved and in the first year itself, trade worth rupees 10 crores took place. There is an attempt to slowly start all product lines. Where all production was closed since 4-5 years, and there were no orders; there to start production, get orders worth rupees 10 crores, do sales, etc. was remarkable in itself. Rival companies had stated that Kamani had closed down due to some technical problems and therefore it could not run.

☐ **What are the problems now ?**

D.T. : We have many problems in front of us. Our turnover is not enough. Regarding price, there is cut-throat competition from rival companies. Sufficient orders are a must. We have to increase our production and profit manifold.

☐ **Is there no problem in the managing board of the Company. After all, according to the orders of BIFR, there are only two representatives of workers in the Board. Is the factory really in the hands of the workers ?**

D.T. : One must understand the composition of the board—2 representatives of workers, 2 of state government and 1 each of bank and BIFR. Thus the basic board consists of 6 people who with the help and guidance of IDBI, appoint 2-3 professional managing directors and president. There is obviously this doubt that if state government, bank and BIFR representatives combine, they can force their own people and prevent the factory from running successfully. But this is not possible, since all the concerned parties believe that Kamani is the dream of workers, and hence they should run it. Thus in the 11 member board, there is a majority of workers representatives and people suggested by them.

☐ **So are you completely satisfied ?**

D.T. : I have not been able to do as much as I wanted to. But I am not talking in the context of turnover or profit. I am fundamentally worried about the creation of an alternative culture. Today it is a reality that theoretically and legally, workers are the owners of the factory. But today I cannot say that they only together run the factory or really participate in all decision making. There are representatives of workers from their side, but not workers themselves. And if this continues, there may be a downfall of trade union.

The supreme court has talked of a distinct identity and face of the workers and to make this a reality and develop consciousness and participation of workers, new forums will have to be created.

☐ **Is there any special programme in this context ?**

D.T. : For workers' participation, new forums will have to be created. Some of them are already there like managing committee where representatives of union, bank and board look after everyday work, committees at the level of plant, where there are workers' representatives also. But these are not enough for real participation of workers.

We have also decided that in the managing board of the company, we will not keep the same two workers representatives for more than two years. In between, all workers should be trained so well that any of them can look after the work of the board.

We want to create a system by which each worker can evaluate his work himself. Whether the target was completed or not, what were the reasons behind it—all this should be honestly examined.

The workers must know as to how the balance sheet of the the company is prepared ? How are prices decided ? How are policies formed ? How change in policy effect price, profit and work ? Before the workers of Kamani were not bothered about all this. But now they feel a part of the factory, and thus it becomes all the more necessary that there should be adequate survey by them. Through various programmes, we want to pay attention to various aspects of workers' life.

If the workers' factory does not remain clean and beautiful, can one be proud of it ? If the accident rate in the factory remains as before, or worse, if it increases, can one be proud of it ? In the coming years, one will have to pay attention to these aspects also. Though in the first year the accident rate has been zero, and this is very significant. Workers' production has increased. In the beginning the rate of workers' absenteeism was also very less, but now if has reached the level of other industries.

☐ **But the division prevalent in the factory between manager, supervisor, engineer and workers will continue ?**

D.T. : All of them were together in the struggle for Kamani takeover. As owners of the company, all of them have equal shares in it. Still sometimes the supervisor and manager did feel that they have been sidelined and workers are the owners.

Actually after the takeover of the factory, the role of these people has changed; without them realizing it. Their work before is not at all relevant in the present context, since the workers are now working themselves. There is a need for managers, supervisor etc. to take on some new responsibilities, for which they are not adequately trained. This problem is slowly getting solved after talks and training of these level of employees. And thus the also division also ends.

☐ **Is there any effect at other places of workers' takeover of a sick closed factory ?**

D.K. : In their long struggle, workers at some stage gain fresh force and inspiration. After the historic decision of Kamani, workers have felt a new lease of strength. All over the country Kamani has been noticed and constantly trade union leaders, trade unions, social-political workers are coming to us. A number of labour leaders in Bombay have felt that after the Kamani takeover, workers side has gained an edge in various agreements. There are innumerable closed factories but workers had never thought of its takeover. But today workers of a number of closed factories are saying that if the factory owners are unable to run the factory, they are prepared to run it. This shows a new force, a new consciousness which does not accept the status-quo but challenges if instead.

We also have to see as to how this situation develops in the future. What kind of culture will the workers create ? Will there be any qualitative changes in their attitude towards power, work and life ?

☐ **Can Kamani become a model for the whole country ?**

D. T. : Kamani tubes tells the working class of this country that workers can take the responsibility of factory, poverty stricken workers can also take initiative in raising the necessary capital required to start a factory. In new circumstances, they can create the power to take a stand. A number of sick-closed factories in the country are unable to open due to lack of alternative. Capitalists have left the industries sick,government is not prepared to take their responsibility, B.I.F.R. is in no position to run them. In such circumstance the scheme of Kamani tubes offers a way out. If the company is not doing well and is moving towards sickness and lockout, timely intervention and participation of workers can save it.

☐ **Are factory owners ready to accept all this ?**

D. T. : The private sector is not ready to accept workers' participation. It still believes that the industrial sector is his own private property. It does not realize the changes that have taken place in ownership patterns of industrial sector in the last few decades. Now the concept of ownership has changed as a capitalist owns very few shares in a company. In Tata company, Tata has only 4 to 8% of shares, Birlas have slightly more in their companies. But in these companies, public capital constitutes more than 40%. In such companies, where people, government and financial institutions have invested such large sums of money,there is no basis for giving capitalists complete-arbitrary control. Why do not the companies, dependent on public money, ask for a government rule for ensuring workers' participation in management? Why is at least this not made compulsory that in sick industries, worker must have compulsory participation ?

☐ **In such a situation, the experiment of Kamani will not be alone and isolated ?**

D. T. : It is our clear view that the experiment of Kamani should not remain limited to Kamani workers only. After the takeover of Kamani, a number of labour organisations from all over the country wanted information about our plan and struggle. B.I.F.R. referred many cases to us. The government of Andhra Pradesh and Tamilnadu asked for information. We spent a lot of time in going out and relating our experience and plan.

To promote and spread the experience of Kamani, some unions and professional people have come together to establish a centre, whose aim is not merely to open closed-sick factories. We also want to help the workers of possibly sick units. One has to form an alternative extensive plan for takeover by workers of a closed factory. This centre is helping the workers of a number of closed factories to formulate plans.

To make the capital disappear from the factory and make it sick, a capitalist adopts different-different policies in various industries. Thus for a correct financial assessment of the company, worker will also have to adopt a variety of techniques. And workers can develop their own techniques. The centre is trying to develop such technique and also to make it ticking and alive, which will help in positive intervention.

❑ **What is the attitude of press towards this ?**

D. T. : Press and media have played an extremely important and positive role in our success. But along with this, they also have a tendency to think that this experiment is limited to any one person and they tend to make him a hero. The way various newspapers and magazines have tried to raise us union leaders, does not help the movement. It has a negative impact on collective strength and activities. We do not need a 'hero'. Thus at times we think that after a positive contribution, are not the press/media playing a little negative role now.

❑ **What is the attitude of left labour unions ?**

D.T. : A.I.T.U.C., C.I.T.U. etc. have no policy formulation regarding takeover by workers of sick industries. But other unions affiliated to them have been formulating such schemes.

❑ **What do you think about the present state and future of workers' movement ?**

D.T. : Factory owners all over the country are extremely aggressive. In the long term, weapons like indefinite or long strike have lost some of their sharpness and their impact has lessened. Workers are searching for new ways of struggle. Prevalent circumstances will create new modes of struggle.

An important reason for this situation is that one delayed organising the workers of the unorganized sector. This was never on the agenda of organised working class, and now they are paying the price. Besides, the trade union movement of the country developed heroes like Ashok Mehta and George Fernandes, which also lead to a weakening of a joint and democratic labour movement.

Today the challenge is that how in front of communal, regional and narrow political onslaught, labour union can create and develop alternative politics and leadership. Wherever the labour movement goes weak, communal forces gain strength. Bhiwandi, Bombay, Jamshedpur, or any of the old riot torn areas can help us in understanding the situation. Communal forces can never raise their head in front of an organised and active working class.

In this phase the organised sector should fundamentally fulfill two responsibilities. It must organise the unorganised : agricultural labourers, construction workers, workers of small labour unions etc. and increase its strength. And also it should stress democratization of labour unions and increasing participation of workers in management.

III

It is aignificant to note that under the leadership of Kamani Workers' Union, the workers in other sick and closed industries of Kamani group, are now ready to take over the management. The recent example is Kamani Metals and Alloy Limited (KMA) where workers have formed their cooperative society and have gone through the long and difficult process of getting acceptance from various bodies for their plan.

Kamani Metals and Alloy Ltd has been under lockout for more than a year. More than thousand workers are under severe strain. When the management was conspiring to totally dismantle the factory and make commercial use of land in factory premises worth crores of rupees, the Kamani Workers' Union and K. M. A Workers' Cooperative Society jointly chalked out a comprehensive plan to revive the company. Under the revival plan the workers' have given the commitment to contribute 2 crores from their Provident Fund. In fact, they have already deposited 1.5 crore in the bank. Workers have also promised to convert their due wages of more than 3 crores into equity. The workers are also ready to invest without interest, 10 percent of their salary in the company for five years. The consortium of Bank led by Bank of Baroda, including

Dena, Canara, standard chartered has also given their approval to workers' plan and even given their recommendations to accept the plan. The Bank of Baroda investigations also revealed massive irregularities by management in the factory stock.

In fact, management irregularities and transfer of assets continued unchecked on a big plane. That is why the initial loss of 7 crores to the company reached upto 11 crores by 31 March, 1991. And by April 1992 the management announced a total loss of 19 crores.

Under the BIFR proceedings, one after another damaging moves against workers' schemes were initiated, under the behest of management. In the important last hearing of BIFR in April '92, V B Desai, Financial Services had offered to meet KMA debts of upto Rs 25 crore. The services also agreed to finalise by May 6 a revival package in consultation with the banks, financial institutions and the employees. But the May 6 deadline came and went without V B Desai finalising these details or even beginning the process of doing so. At that time also when V B Desai stepped in BIFR, the Kamani employees warned that the finance company had no interest in KMA, beyond toying with it in the stock market. KMA's real estate alone is worth Rs 50 crore. Even if a fraction of this could be sold and shown as profit, that would be enough to create the impression that the company was not sick. Workers' warning proved correct.

BIFR had agreed to the revival scheme submitted by KMA's employees, but it was cleverly postponed. Now with V B Desai withdrawing its offer, BIFR is most likely to revert to the earlier position and give formal approval to a management run by employees. KMA Ltd would become the second sick Kamani company after Kamani Tubes to be handed over to employees. Thus the journey of Kamani workers will reach another destination, signifying its replicability.

IV

Kamani experience generated a series of activities in the field of workers' management. On the one hand, workers of many sick and closed companies started exploring the possibilities of replicating the Kamani model; on the other hand an urgent need arose to impart management education to worker activists and trade union leaders, precisely to equip them to take part effectively in the decision making process. Out of this need emerged a national level organisation, 'Centre for Workers Management'. It is a collective initiative of trade union leaders, researchers, academicians and social activists. The leader of Kamani Workers Union, D. Thankappan is the director and Former Chairman of BIFR R. Ganapati is the patron advisor of the Centre.

Apart from other objectives, the Centre has taken the task of raising the much needed policy initiative and supportive mechanism, to encourage and sustain workers' co-operative. On behalf of thousands of struggling workers, the centre chalked out and submitted to the Government the following demands, that must be taken into account while formulating appropriate policies :

a. The process of handing over PSEs to workers' co-operative would take some time, for example—atleast one year. The moment the government raises its hands, the unit may face stalemate in its activities. This will not help its revival. On the contrary such a situation will undoubtedly work against the revival potential of the unit.

b. The write off in respect of accumulated losses would place the balance sheet of these PSEs in such a way that the assets would match the liabilties.

c. While handing over the PSEs to workers, the workers may have to find resources for acquiring the shares, even if it is handed over to them on nominal values taking into consideration of the workers stake.

d. Any revival may, initially, have to take into consideration cash losses for a period one or two years, minimum.

e. Out of the 58 identified chronically sick PSEs, 32 of them are companies taken over from the private sector. In most of these taken-over companies, the left out managerial talents are inadequate to initiate any viable revamping of these organisations.

f. The opening of multinational or trans-national companies to operate in domestic markets, especially in spheres where workers' co-operatives operate may pose a threat to the functioning of workers' co-operatives.

In view of the obove factors, the following policy formulations would naturally be essential to create a supportive climate, institutions, as well as framework to develop an alternative which can sustain and grow whereby the workers will be in a position to contribute positively to face the challenges confronting our national economy :

1. The government must set up a Financial Agency or Corporation exclusively to assist the workers' Co-operatives. Such an institution is a pre-requisite to grant loan facilities for workers to acquire shares of companies to take over under the workers' co-operative. Also, provide term loan facilities to the companies operating in the workers' sector.

2. The lending norms and policies with respect to banking institutions must be reoriented to see that a supportive climate and appropriate orientation is given to the banking sector to assist the workers' co-operatives.

3. The worker-run companies must be provided with loan facilities to meet cash losses, if any, in the initial period of upto two years.

4. At the time of a transfer of assets and liabilities, the workers' co-operatives must necessarily have a policy clearance to dispose off any unproductive assets such as land, office premises. machinery, etc. if the same is required for the capital restructuring, modernisation as well as diversification of the unit.

5. The Government must initiate a suitable policy to see that efficient Public Sector Managers are deputed on a loan basis to the worker-run companies for an initial period of 3-5 years in order to guarantee efficient professional working of such units.

6. The Financial institution must extend their existing supportive schemes with respect to soft loan facilities, venture capital arrangements, entrepreneurial training, etc. to the workers' co operatives.

7. The Government must initiate policies to set up training facilities to train the worker activists/trade union leaders on management aspects. It must also initiate workshops/seminars etc. to propularise workers' management.

8. Workers' Co operative Sector must be granted preference

with respect to Governmental purchases in order to protect this sector from the unhealthy competition of MNCs/TNCs.

The centre is of the considered opinion that the Government must seriously initiate the above steps. Without this, the offer remains a non-serious one, and made presumably to score a point over the trade union leaders. If trade unions are not positively responding to the government's offer, they are also likely to miss this opportunity. We are afraid that such a situation might be utilised by the government to thrust their policies of privatisation as well as free exit. This will be disastrous for the nation. The historic responsibility of the working class is to resist such a move with a positive alternative. The working class alone can play this role at this crucial juncture to prevent the onslaught of the IMF-World Bank combine.

5

To Organise The Unorganised

Shankar Guha Niyogi, Chhattisgarh Mukti Morcha and its various affliated organisations like Chhattisgarh Mines Shramik Sangh, for the last fourteen-fifteen years have become a symbol of worker's alternative in different parts of the Chhattisgarh region in eastern Madhya Pradesh, involving miners of captive iron ore and other mines of Bhilai Steel Plant, textile workers of Rajnandgaon, tribal people of the neighbouring rural areas, and recently the contract workers of the auxiliary industries of BSP. Chhattisgarh Mukti Morcha, under the dynamic leadership of Niyogi initially organised the workers for their general trade union rights, but that was only a beginning for an alternative path of development in an industrial sphere. Their search for this alternative was successful, sustained and multidimensional : modernisation with the guarantee of workers' employment; work with health and safety; and charges in workers life, with a special emphasis on social reform programmes.

Niyogi was murdered on 28th September 1991 in Bhilai (Dist. Durg, MP). Niyogi was murdered at a time when the aggressive reach of the new economic policies under the dictates of the World Bank-IMF was becoming more widespread and anti-worker. Niyogi was murdered when thousands of contract workers in the Bhilai industrial township were engaged in a long struggle under his leadership. Though this ongoing struggle raised basic economic demands, like minimum wages, overtime, PF, permanency, etc. of the unorgonised working people; in that process it was, however, also throwing a challenge and alternative to the existing economic and industrial policies, the socio-political equilibrium of the ruling class and for the BJP-led state Government. Niyogi has been murdered when the new economic policies of the Congress-led Central Government are being actively supported by the BJP-led State Government, and that is why the Chhattisgarh region of MP is again on the brink of a new phase of heavy industrialist-criminal-bureaucracy conspiracy.

I

The economic crisis is not something new in the history of independent India, but this time alongwith it, a general crisis has also developed in various facets of society, a crisis that manifests itself in the constant shrinking of the sphere of secular, progressive ideology vis-a-vis the rise and development of communal, consumerist and rightist ideology; the break-up of the so-called socialist system, and a sharpening of the inner contradictions in the policies and ideology of the Leftist forces in the country.

The most characteristic feature of today's crisis is the combination of a cyclic economic crisis with dangerous structural and policy adjustments under the overall dominance of the World Bank, the IMF and the developed capitalist countries, and along with it a deep ideological and political crisis. This reflects the ideological bankruptcy of the ruling class today as it believes that the only hope to overcome the present economic crisis lies in the imported colonial designs of the international financial institutions. And the political crisis manifests itself not only in the 'non-governance' of Punjab, Assam, Jammu-Kashmir and rising terrorist-separatist activities in the country but also in the political instability and the failure of development policies in being able to check the various socio-economic problems of the country.

The various contradicitions inherent in the new economic policy package are bound to accelerate the process of government repression, social turmoil and unrest. The free market capitalist economy, with the close interrelationship of international capitalist order, can increase the industrial production and market potential, but this so-called progress cannot halt the process of continuous erosion in the living and working conditions of the majority of the working class people. The World Bank-IMF package may somehow increase the shrinking foreign exchange reserves of the country, but in this very process, both ideologically and economically, national sovereignty is bound to get undermined and fettered. Also, the role of the various democratic institutions in the country, like Parliament, judiciary, trade unions, democratic rights organisations, will be constantly curtailed. An example of this is the fact that the Finance Minister, Dr. Manmohan Singh, ignores the existing national platforms and announces the new government policies regarding the public sector at the World Bank-IMF meet in Bangkok. Or the Indian Ambassador to the USA defies the Indian Government's policy on the GATT negotiations and Intellectual Property Rights and dares to openly campaign in support of the US standpoint.

This is the background of the murder of Shanker Guha Niyogi. The actual murderers could be some professional criminals hired by industrialists, or it could be a conspiracy of the local administration-police-contractor combine. But had it not been for the offensive of the new economic policies in the country, and a particular State Government led by the BJP which is openly repressive against the workers, peasants, tribals, environmentalists, youth movements, nobody would have dared to conspire and murder a trade union leader in the course of an ongoing and protracted labour movement.

For the last 15 years, Niyogi had been very much active in a militant and fast growing workers' movement in the Chhattisgarh region. Various State Governments, whether led by the Janta Dal, the Congress or the BJP, had been equally repressive and hostile to the workers' movements, especially the rising Chhattisgarh Mukti Morcha in MP. But in spite of all this, the physical existence of the trade union leader was never threatened in such a manner. The ghastly murder of Niyogi is very painful and shocking for all the democratic forces in the country, not only because he was a very militant and dynamic trade union leader who tried hard to break the traditional boundaries of trade union politics in India today, but also because his murder reveals the cruel reality that our industrial and economic development policies have reached a stage where even the existence of basic trade union politics and its leadership is unacceptable.

In fact the murders of Safdar Hashmi and Niyogi have a common context and continuity which is important to note; Safdar was primarily a cultural activist but alongwith it, he was also a member of the CPM and Niyogi was an unorthodox trade unionist having a political proximity with the People's War Group and the IPF. But both became the victim of the same cruel forces of politics and economy. When Safdar Hashmi and his Jan Natya Manch were performing a street play in the Sahibabad industrial complex near Delhi, in support of the industrial workers' movement for the lawful revision of minimum wages, he alongwith other members of his group was fatally assaulted by the local Congress-I leaders. This was the period of the new economic policies of the Rajiv Gandhi era which by that time were thoroughly exposed and defeated due to their inherent weaknesses. The bankruptcy and increasing isolation of the ruling class provoked its local workers. Now again under the leadership of P.V. Narasimha Rao and Manmohan Singh the new economic policies are acquiring a new offensive in the country. And in this environment, a man who was leading a long battle of contract labourers for some minimum trade union demands in the Bhilai industrial complex was killed.

The ruling class often expresses identical reactions in defeat and victory. The economic policies of Rajiv Gandhi and P.V. Narasimha Rao here become identical in their content and impact. And in this process, the fate of Safdar and Niyogi becomes the same. This is the situation that has emerged on the socio-economic plane of the country today.

II

The murder of Niyogi also testifies to the fact that in recent years various conservative, anti-national and repressive forces of the Indian society and economy have got intermingled and have acquired a character of a united all-India body. Thus in terms of economic polices, it makes no difference that the Centre has Congress and Madhya Pradesh has BJP rule. The economic policies of the Central Government receive a rousing welcome by the State Government in this case and in this process these measures reach remote far-off areas of Chhattisgarh. The Durg-Bhilai District Industry Centre provides detailed information about the proposed massive industrialisation under the new economic policies with the consent and even participation of the State Government. In the Chhattisgarh region, the pre-independence and post independence period witnessed two different phases of industrialisation. Now the third phase of massive industrialisation has arrived.

Apart from dozens of new small medium ancilliary industries, rolling mills, there is for the first time big sponge, iron, Cement , food processing and electronics industries coming up, owned by the big industrial houses of the country. The Prime Minister, the Finance Minister and the Coal Minister of the country express their concern about workers' productivity and trade union movement, and this concern also finds similar expression in the words of the Raipur Commissioner :

> "So many industrialists want to come to Chhattisgarh. But when there are labour movements, how will they come here? This is the question of the development of Chhattisgarh."

The new economic policy threatens the employment and living of the unorganised-organised sector workers of the country. And Niyogi felt the pulse of this threat during his long struggle in an Opposition-ruled State when he said:

> "There were many attacks on us, tomorrow we will have to face other rounds of more dangerous attacks. There can be an incident which can be nerve shattering.
>
> I know that they are after my life." (Excerpts from Niyogi's public speeches and tape-recorded statement.)

It is also significant to note that the conservative, fascistic and anti-people tendencies of society are complementary to each other. One conservatism feeds on the other, and this is more dangerous in the context of the BJP-led MP State Government where the offensive of the new economic policy is taking a fascistic overtone due to the patronage of an openly communal state.

In Madhya Pradesh, the nature of the communal state identifies and relies upon a 'Hindu identity'. To build this Hindu identity, explicitly implies the repression of various caste, class, linguistic and regional autonomous movements. Various subaltern groups, organised working classes and their organisations are the central targets of this kind of state repression.

In MP, the *rath yatra* of Advani reached earlier, and now the *vikas yatra* of Manmohan Singh is taking the same path. Both the *yatras* strengthen the same conservative, anti-people forces in the society. There are many examples to support the case of the BJP being a firm supporter of the new economic policies of Manmohan Singh. When the Central Government was only discussing the various options for the privatisation of power and transport sectors, the BJP-led Himachal Pradesh Government actually privatised power, transport and education sectors in the State. And very recently the BJP affiliated central trade union, the Bhartiya Mazdoor Sangh, opposed the call of the all-India industrial strike on November 29, 1991, which was against the economic and industrial policies of the government.

The murder of Niyogi has received nationwide attention, but under the BJP Government. the Chattisgarh region has witnessed various assaults on the workers' movement that have gone largely unnoticed. According to police records, over a thousand workers were arrested in one year of the Bhilai labour movement, more than 1300 workers have been terminated from their services, and many-a-time peaceful demonstrations and processions of workers have been attacked by police and anti-social elements. And this is not specific to the Bhilai labour movement alone. Sometime ago, when the unorganised rice mill workers of Avanpur and Rajim in the Raipur district were agitating for their legal and minimum demands, the police fired indiscriminately, in which one worker was killed and many more seriously injured; labour leaders were arrested and threatened with *jila badar*. What do these facts signify ?

III

The industrialisation of Chattisgarh has some striking aspects which are important to observe, more so in the context of present day labour movement.

Chattisgarh can be divided into two broad categories: the Chattisgarh plain and the Chattisgarh plateau. The plain area was once known as the 'rice bowl of India' for its abundant rice crops, while the plateau which surrounds the Chattisgarh plain from three sides was famous for mineral deposits and forests. Chattisgarh being very rich in mineral resources, shaped the industrialisation of this region in the recent period.

During British rule garo-based small industries were set up. Rice mills, dal mills and oil mills were prominent among them. Some forest based industries were also set up in the 1930s. Chattisgarh has the distinction of having a textile mill at Rajnandgaon as early as 1895 and a jute mill at Raigarh in 1935. But the establishment of the Bhilai Steel Plant in 1960 dominated this region, covering an area of over 31 square kilometres and employing more than 50,000 workers. The Bhilai Steel Plant has given rise to Bhilainagar where the permanent workforce of the BSP, their dependents and those serving them constitute the majority. Most of this permanent workforce are migrants from Kerela, AP, West Bengal, etc. and are usually more skilled and better educated than the Chhattisgarhi workers.

The BSP intensified the growth of ancilliary industries in this area and now at least 120 small and medium scale units are in operation. The whole region has 18 big, 50 medium and more than 60,00 small industrial units; more than a hundred steel based units, more than a dozen solvent extraction plants, many oxygen, gas and mill cement plants. It is clearly an impressive canvas of industrialisation. And the Bhilai Industries Association spokesman is somewhat right when he claims that "for the industrialisation and development of the Chattisgarh region, some credit also goes to those industrialists who established industries in an environment of initial difficulties and discomforts".

But this industrialisation obviously changed the entire Chattisgarh region and also led to various stresses and strains.

Firstly, the Bhilai Steel Plant and its ancilliary industries have altered the composition of the workforce in the industrial areas, with serious consequnces. The population of Bhilainagar in particular has shown a phenomenal growth over the past 30-40 years. The migrant working population has not only increased but they dominate the better positions, because of the traditional backwardness of the Chattisgarhi people.

These regional divisions among the workers have been effectively institutionalised by the capitalists for their own narrow interests. This division has taken an anti-worker stance, so much so that the Chhattisgarh Mukti Morcha was forced to take notice of this during the course of their struggle in Nav Bharat Explosive, Nev Bharat Fuse and Hanuman Industries:

> "Industrialists always take the side of *Pardeshia* people. And Chattisgarhi workers are terrorised and beaten up by these *Pardeshia* workers. *Pardeshia* live within the factory premises and work on contract, even on holidays."

This goes on to show that the trade union movement of the Chattisgarh region was not powerful or conscious enough to break this division.

Secondly, Chhattisgarh witnessed one of the most intensive industrialisation of modern India. Despite this, however, Chattisgarh remains one of the most backward regions of the State in terms of the various socio-economic parametres, such as per capita income, average level of literacy, rural electrification or availability of primary health facilities. The region has the largest backward population in the State. Continuous drought, non-irrigated land and unemployment have forced the Chattisgarh people for seasonal or permanent migration in search of livelihood and Bilaspur in particular remains one of the most problem prone areas in the country.

Thirdly, distorted industrialisation which did not care for local needs and environmentally sustainable development also created different layers of the working class. There are public sector workers fully secured by public sector national network and central trade unions. There are permanent, regular workers of big private industries governed by various wageboards and labour laws. There are *Chhattisgarhi* and *Pardeshia* workers. There are contract workers and temporary workers. In fact, the whole lot of ancilliary industries is based only upon contract and temporary workers. This division of the working class has reached such dangerous proportions that the contract workers, who are the nerve-centre of industrialisation here, are also the worst victims of exploitation and suppression and are in total isolation.

Fourthly, narrow economic and class interests based on unsustainable exploitation of natural resources, consumer culture and alienation tends to blind both, capitalists as well as the workers. In the Bhilai industrial complex, various industrialists are not at all defensive or apologetic regarding the contract workers and their problems. Thus the owner of the Simplex Group of Industries, Arvind Shah, clearly states that "there are only 10 permanent workers in maintenance. All the other 2000 are contract workers hired by various contractors because here the work depends mainly upon fluctuating orders. The regularisation of contract workers and betterment of their working condition is not possible because industries have to compete with various small and home based industries in the state and with other industries outside the State."

The spokesperson of Bhilai Industries Association even went further : "There are workers' problems and discontent, but industrialists are not responsible for this. It is not the responsibility of industrialists to undo the workers' poverty and inequality."

It is ironical that the expressions and opinions of the Bhilai Steel Plant workers and their union are not very much different. Besides, the Bhilai Steel Plant workers and their union remain totally aloof from the Bhilai labour movement of the unorganised sector. Even the murder of a trade union leader and the brutal repression of a working class movement in the same region did not shake them. The Steel Workers Union (affiliated to the INTUC) is a recognised union of the BSP since 1960 and its Secretary feels proud when he says : "There are two types of workers in Bhilai. Among public sector workers, there is no sign of any unrest or movement. Apart from the BSP, two other big public sector unions are affiliated to the INTUC. Not even a single worker here belongs to the Niyogi union. There was no activity here even after Niyogi's death. The BSP workers get a minimum wage of more than Rs 2000 per month, housing, medical, education facilities, LTC, scooter allowance, various types of interest free loans and other benefits."

And the General Secretary of the Leftist trade union of the AITUC is more vociferous against the Chattisgarh Mukti Morch when he states : "There can be no cooperation with the

Niyogi union. His union is heavily clouted by Christian missionaries and controversial bodies like the PUCL. Whosoever will fall into the CIA trap will not be alive. No permanent worker supports Niyogi's union. We command the support of permanent, regular workers."

And the General Secretary of the CITU complains : "Although Niyogi had launched a genuine struggle, in that process he also tried to replace the Leftist unions especially the CITU unions. There was a typical trade union rivalry and the Chattisgarh Mukti Morcha never initiated a joint struggle in the Bhilai industrial area."

Niyogi also felt the pinch of this divided scenario when he painfully narrated a situation in a public meeting during the course of the struggle : "I have two sons. When one son goes to a factory, they curtail his every right, and exploit him cruelly. When my son stands against this exploitation, demands high rights, they give knife to my other unemployed son and say, 'Go stab your brother'."

IV

In this scenario, Niyogi initiated a struggle of the unorganised iron ore mine workers in Dalli-Rajhara in 1977 with some basic demands of bonus, housing, unemployment allowance during compulsory idle period, etc. Though these demands were simple, their articulation and organisation among the most oppressed and neglected sections of the working class for the first time, made the struggle quite difficult and challenging. Niyogi was arrested for a long time, police firing took place on struggling workers, where at least one dozen workers were killed.

But out of this difficult struggle, Chhattisgarh Mines Shramik Sangh came into existence under the leadership of Niyogi. The workers demands were accepted, Bonus and housing allowances were granted and the management not only signed the agreement with CMSS but also recognised it. Now CMSS raised the issue of living and working conditions of mine workers, where contract workers were getting only 4 rupees for 14-15 hours of work. They raised the demand for the abolition of contract labour system and suggested the permanency of thousands, almost 8000 workers who were working for the last 6, 8 or 10 years. Finally, the union itself took the challenge of replacing the contractors and in place of it, formed the workers' co-operatives. This initiative constantly proved quite successful. Mine workers wages increased constantly and have now reached Rs. 70; their working hours were restricted to 8 hours, the accident rates in working places were reduced. And most important, the co-operatives gave the workers enough strength to struggle in future.

It was a constant search for workers' alternatives which inspired CMSS to initiate an agenda for discussion and action programme for implementation in the sphere of mines' mechanisation. In the face of BSP plan of massive mechanisation and curtailment of workforce in their captive mines, the CMSS evolved on alternative programme of semi-mechanisation. This programme ensured the increased production target and workers' productivity, without any retrenchment of workers. CMSS fought for this alternative programme and also opposed the management plan of anti-worker mechanisation and modernisation drive. They went on strike, Niyogi was arrested under the National Security Act, hundreds of workers were jailed. But ultimately they won and the management plans of mechanisation were stalled.

Niyogi and his organisations were successful in diversifying their movement to various streams of society and in that process they successfully tried to build an alternative political force in that region. Militant and expanding trade unionism, with social reform programmes and deep interaction with the other downtroden sections of the society was a solid basis for this alternative politics. Thus they launched a very powerful and successful anti-liquor movement among the workers. They emphasised on peoples' health movement and for this, dared to establish a workers' hospital comprising of 80 beds. The Union also started 6 school for primary and secondary education. The message and organisation of workers' movement spread over to other industrial areas as well as to rural masses. Chhattisgarh Mukti Morcha and Niyogi took up the cause of farmers and farm workers in numerous movements. When the massive exploitation of iron ore started degrading agricultural land, then under the morcha leadership farmers launched a struggle for proper compensation and land utilisation. When farmers and their farms were starved of water due to massive exploitation of water by industries, the Morcha launched a struggle for proper water and irrigation policy. Many struggles were launched against rural power elites who were capturing the village common, land etc. And in all of these programmes, Niyogi's movement was always conscious of women's issues. In 1980-81 women's front known as the Mahila Mukti Morcha was launched. All the movements drew considerable number of women and they also achieved equal rights and status as workers. The concept of women's equality and strength gained ground in all activities. Apart from this the workers in the unorganised sector had been always given priority focus by Niyogi and his organisation. Thousands of unorganised workers of this area acquired a new sense of identity and courage. In these ways, the trade union politics of Niyogi was proving that the working class movement and politics can be a powerful vehicle for socio-economic transformation and political mobilisation.

V

Niyogi and Chhattisgarh Mukti Morcha's search for alternative path of development and struggle for economic and political rights finally drove them to Bhilai where thousands of unorganised contract workers in private sector were facing severe injustice and exploitation for decades. Niyogi expressed these ideas in his article published in 'Nav Bhaskar' on 22-23 June 1989. He stated, "It is a scientific principle of physics that without applying a big force one can't change one's specific situation into another specific situation. According to this principle only, we will have to overthrow the present anti-national modernisation and establish a patriotic modernisation in place of this.' Niyogi tried to live upto his ideas and moved to the Bhilai industrial area at the beginning of 1990. For a radical socio-economic transformation of Chhattisgarh region and to fulfill the tasks of trade union towards this, it was almost necessary to challenge the 'anti-national modernisation' in its nerve centre and to ensure the workers' rights in one of the fastest growing industrial sphere in our country. And the basic legal demands raised for contract workers reflect the basic blueprint of 'patriotic modernisation' and thealso desire to implement it. Niyogi was killed because of his opposition to this anti-national modernisation drive, based on the traditional nexus of industrialists, politicians, administration and even trade unions and which was mostly unchallenged up till now. *It is significant to note that Niyogi's murder could not silence the workers' voice and not only the workers' movement is continuing in the midst of severe suppression and hardship, but the Chhattisgarh Mukti Morcha is now increasingly challenging the basic philosophy of new economic policies and also articulating the alternative path of development, especially in the sphere of industrialisation and modernisation.*

When CMM affiliated Union raised the demands of contract workers in September 1990, they requested the management to give up unfair labour practices and settle the long pending demands of the workers amicably. Their demands were bare, minimum and legal : (1) Illegal contractual system should be abolished and all the contractual workers, including the supply workers should be provided permanent employment; (2) A fair wage and other facilities should be provided, i. e, Unskilled Rs. 1350-20-1630, Semi-skilled Rs. 1415-28-1611-32-1835, and Skilled Rs. 1500-43-1801-50-2151; (3) CPF and Gratuity payment should be made applicable for all the workers; (4) Leave, holiday should be provided; (5) All measures should be taken to prevent any accident in the work place and the safety appliances should be provided as per the requirement; (6) All the victimized workers should be reinstated.

These demands appeared simple, but they were actually challenging the basic tenets of anti-national industrialisation in Chhattisgarh i.e. worker's exploitation and extraction, informalisation and unregulated industrial estates. And the new economic policies unleashed by Narshima Rao Government were also based upon these measures only.

Thus these demands were met with severe repression by the nexus of local administration and police. Large number of workers were retrenched; goonda attacks on the workers,their leaders and women began, in which police actively participated. Local administration and labour department sided with the industrialists. When the Morcha successfully observed a one day token strike in November 1990, the repressive machinery got wild. Then the Morcha was forced to give a strike call in selected private industries in January 1991. But the administration in collaboration with industriatists was so wild that in Feb. 1991 Niyogi was arrested on the basis of 10-15 years old cases pending in the local courts. The process of extermination of Niyogi from the District called 'Zila Badar' was initiated. Incidents of police or anti-social attacks on workers, arrests and threats become a day-to-day affair.

But thousands of contract workers continue their determined struggle under the leadership of Morcha and with the active support of Dalli, Rajhara mine workers, their cooperatives and rural masses. Uncounted protest actions, Morchas, demonstrations, meetings, etc. were organised and in this process, almost all the workers of private factories gradually became involved. Thousands of unorganised, contract workers of this area acquired a new sense of identity and courage.

But the Government, administration and industrialists were adamant to crush the movement, by resorting to any method. The administration dissolved the workers' cooperatives in Dalli Rajhara on some technical pretext, to break the support base of the movement. They conspired to eliminate Niyogi, which he correctly guessed, and voiced it in an audio tape. The tape states that a conspiracy is being hatched and it seeks to identify the persons responsible for his murder. In July 1991 Niyogi also lodged a complaint regarding this with the local police, but no action was taken. A large number, of workers and Niyogi came to Delhi in September 1991 and organised a dharna in front of the Labour ministry. A workers delegation met the President and submitted a memorandum to him, less than 20 days prior to the murder. The memorandum appraised the President of the grave threat to the life and liberty of the workers and their leaders in the Chhattisgarh region. Niyogi also met and presented a memorandum to the Prime Minister and to L. K. Advani and sought their intervention. But nothing happened. The Morcha announced a 'Jail Bharo' agitation from 2 October 1991.

Niyogi was shot dead while asleep on 28th september, 1991. Niyogi's murder shook the Chhattisgarh region and created a nationwide stir. In the Bhilai industrial area, including Urla (Dist Raipur), Tedesara (Dist. Rajnandgaon) and Kumhari (Dist Durg), thousands of workers went on three to seven days strike. Schools, Colleges, even government offices were closed for many days, and every section of the society joined the protest. In Delhi, about 75 organisations of workers, including some central trade unions, students, teachers, artists, journalists, writers, human right activists came together and formed a 'Solidarity Committee for Chhattisgarh Movement'.

CMM continued with the struggle and in the whole induslrial area, indefinite relay hunger strike was organised in more than 500 places, which continued till November, until the arrival of CBI team from Delhi. Many rallies, demonstrations, meetings were organised almost daily in different places to articulate the twin demands of arrest of those responsible for Niyogi's assassination and fulfilment of the various demands of a year long workers' movement in Bhilai.

But the repressive machiney is again trying to kill the movement. Further victimisation at the factory; renewed goonda and police attacks on workers and their leaders; registration of false cases against hundreds of workers; refusal to talk to the CMM affiliated trade unions; and cover up operations to save the industrialists guilty of conspiring to murder Niyogi are a day-to-day affair. The CMM will now begin a new phase of struggle. Workers and peasants of Chhattisgarh area are preparing to gather in Bhilai "to challenge the stranglehold of five *Noveau-riche* industrialists houses. They have built up vast empires by milking the public sector enterprises, funding politicians of all hues and their unashamed use of criminal methods." CMM again clearly framed the issues of struggle, "...the right to form a trade union; the implementation of the Contract Labour (Regulation and Abolition) Act i.e. the abolition of the exploitative contract labour system in permanent and perenial industry; the immediate reinstatement of over 2500 workers victimised for raising this demand."

When Chhattisgarh is again becoming a hunting ground for the new phase of massive industrialisation, in the context of rapidly changing industrial scenario in the country, CMM has also prepared a blue print of alternative, patriotic policy of modernisation and industrialisation in the Chhattisgarh region. The alternative proposal visualises the division of the proposed 17000 crores new capital investment in Chhattisgarh in a new and sustainable way. This consists of a proper irrigation policy for each and every village; industriatisation according to local situations; industrial trainning and employment for local people also; restrictions on the use of foreign and MNC products; promotion of local manufactured products like textiles, shoes etc among the local masses, government departments and public sector; strengthening of health facilities for common people. This proposal guarantees the generation of massive employment avenues and security for the majority in Chhattisgarh region.

Over the past 20 months, Chhattisgarh Mukti Morcha has been championing that cause of the working class, which is also central to workers' opposition to the new economic policies of the government i.e. to organise the vast masses of the unorganised; to demand their equal share in industrial development; to halt the process of privatisation and informalisation of the whole industrial sphere. This shows an alternative path to oppose the recent economic policies in the vast unorganised sector. And as the CMM hopes, 'it will stir the conscience of the nation before it is too late.'

6

Trade Unions : Agenda For Action

The 29th November 1991 countrywide industrial strike was one of the most important protest action of the working class and trade unions against the new economic and industrial policies. Massive response to strike call declared in clear terms that the central trade unions, (except INTUC and BMS, associated with Congress and BJP respectively) industry-wise federations, Public sector unions, even the central government. and Railway employees actively resist the new economic policies. The estimated participation was more than 12 million.

The strike showed the strength of the united trade union movement and its commitment to wage a nationwide struggle against the new economic policies.

Now again has come the call of another countrywide industrial strike on 16th June 1992, not for any immediate economic demands but against some policies which threaten the sovereignty and self-reliance of the country. The central trade unions, federations, public sector unions, etc. are demanding a halt to the new policies but the Govt is rigidly implementing them. This shows the difficult phases of struggle ahead for the trade unions and working class in the country. This also reveals the need by trade unions to revaluate and rediscuss the issues and strategies needed to oppose the new economic policies.

In the official camp it has become fashionable to accuse trade union movement of malacious 'anti-structural adjustment' drive. Any misgivings concerning the consequences of restructuring are branded as demonstrations against change and modernisation, as 'status quoist' and the like. Indeed, the attitude to this issue is a serious matter for trade unions. Simply to reject the accusations as absurd and ignore them is not therefore sufficient. The issue must be considered seriously, avoiding simplifications and biases.

It is obvions that a restructuring and advance of economy is, in itself, highly desirable. The productivity of capital and labour should rise, as does the social wealth. The labour process should itself become less strenuous. That is why, the progressive trade unions should always champion for restructuring, modernisation and change, including technological change. But when the restructuring is carried out through a liberalisation drive, in the interest of international and private capital; in a society deeply imbeded with poverty, unemployment inequality, insecurity; the process of restructuring inevitably becomes the object of intense struggle. Attempts to heap the chief difficulties engendered by the restructuring on the shoulders of the working masses is the principal cause of this struggle, making it inevitable. In this connection, the particularly great social negative effects connected with it must be pointed out first.

There are several reasons for this. Structural adjustment has coincided with an intensification of general crisis of economy and polity. As a result, the social disruption engendered by restructuring has, as it were, been added to the difficulties ensuing from exacerbation of the economic crisis and has many a times multiplied them. It is also true that the beginning of structural reforms in Indian economy has been delayed due to a number of reasons, and thus the period of time for carrying it out has been compressed. That which under other circumstances, would have taken decades, is being carried out in just a few months or years in a haphazard manner and more so, under the priorities of international financial institutions. Therefore, the social consequences of restructuring are equally compressed. Apart from this, the very scale of structural adjustment is proving to be extremely wide. It is embracing not only some segments of the economy, but also its very core. This is not a matter of productivity. profit, modernisation etc. of individual industry, but of fundamental changes in the very system of Indian economy. Correspondingly, not only the peripheral ranks of wage workers and intermediary groups are affected, but also the very core of the working class.

Three immediate social effects of structural adjustment, under World Bank-IMF, can be clearly distinguished. The first of these is the employment crisis. It's serious form consists of a progressive drop in the number of people participating in the production process.

New economic policies which presuppose a substantial cut in the volume of labour used, must not be allowed to be accomplished, until the question of labour force thus released is resolved. This can be ensured by a special system for the redistribution of labour. This system may vary. Under any circumstances however, it must ensure a high correlation between the release of labour force and the possibilities for job placement; wages being maintained, depending on the employment situation in the branch or in industry as a whole; re-training of labour force in accordance with the requirements of new technologies, and so on.

There can be two groups of programmes that can ensure a restructuring, without being detrimental to employment. One of these is designed to solve present situation, while the other stipulates transformations of greater depth. The first group of programme should ensure a distribution of the existing volume of labour from the working classes' point of view This presupposes that the current volume of employment should be maintained by shortening the working week, eliminating overtime without wage cuts, instituting longer paid holidays, raising the minimum working age by extending general and vocational education, lowering the pensionable age, and so on. These programmes have already become the direct subject of socio-economic and political discourse. Measures necessary for the implementation of these programmes can be actively proposed. If you raise the issue of raising of the minimum working age, you have to raise and fight for a fundamental improvement of the education system and the system of vocational training.

It should also be suggested that the first group of alternative programmes must be supplemented by a second one, envisaging the creation of new spheres of application of labour—primarily in social sphere, like education, culture, rural development, environment protection. The fulfilment of these programmes requires greater intervention in the society. The realisation of these programmes also entails a qualitative expansion of the public employment sector. One precondition for this is that considerable funds be granted and investment be decisively reoriented on the socially necessary labour-intensive spheres of activity as well as on the retraining of workers for employment in these spheres. This can be achieved through an effectively operating differentiated tax system, and major cuts in non-productive military spending. But these *programme can only* be *achieved*, *of* course, *in* the course of an acute conflict—mainly on the political plane. But this conflict will widen the concern of trade union movement and other sections of the masses will be able to identify with the working class movement.

One major manifestation of the employment crisis is the progressive modification of the forms it takes. It seems that one of the widespread striving of industry and economy is to go over from parmanent to temporary labour contracts. The employment crisis will also manifest in a rapid expansion of sphere of domestic, informal, unorganised labour. But small-scale production, or more broadly, self employment on a fair basis will now find itself in the most difficult position Moreover, further development of new economic policies is fraught with the danger of a further deterioration. In sum, the employment crisis that is firstly affecting wage labour, will be transferred into many neighbouring spheres. Thus the great task before the trade unions is to organise the unorganised against the new economic policy.

The second group of social consequences of the structural adjustment and the new economic policy will arise from the shift it will engender in the structure of labour and consequently, in labour force. The restructuring under the dictates of World Bank-IMF always presuppose the elimination of old and the creation of new according to the priority of developed countries and MNCs. The more profound the restructuring, the greater the proportion of elements to be replaced. All this means, that the industrial development will be designated as necessary, promising or unpromising not by the socio-economic needs of of the country, but by the needs of international division of labour, and neo-colonial world economic order. Since the fate involved is not only of production or industries but also hundreds of thousands of workers employed there, it should become the subject of class struggle and trade unions should articulate the alternative path of industrial development.

The third type of consequence applies to the sphere of social securtiy. In the present scenario, the ruling class is trying to raise contributions for social security net. The proposed National Renewal Fund is a case in point. This, however, cannot produce any marked result. Employers, as a rule, resist any attempts to commit their contributions to the fund. In the final count therefore, it comes down to a step-by-step deterioration in the provisions for social assistance, the range of recipients of aid narrows, the funds are cut etc. These funds are bound to be dismantled, unless regular measures are taken to provide finances for it. There can be different measures, but they can be effective only if they are based on the principle of tying the size of contributions into the funds, to the benefits received by government or industrialists. In order words, restructuring must be transferred from a factor engendering a reduction of social funds into a source for supplementing them.

The trade union unity, the massive all India strike action and other protest actions which are one of the most important instrument of struggle today, can only be meaningful, if associated with above perspectives and alternative programmes. Thus, the trade unions can also transform the issues of restructuring, modernisation, necessary changes in Indian economy as an object of class struggle on a wider social plane. The advocates of new economic policy accuse trade unions of working against economic development and, consequently, against society. The true meaning of these accusations becomes obvious however, if one asks some questions. If the new economic policy is advisable, why should it bring benefits only to a minority ? Is a large mass of unused labour power profitable for society ? Is society in a position to shoulder the burden of the maintenance of a large part of displaced workers, deprived of the opportunity to work ? Would it not be more sensible to calculate the overall losses inflicted on the economy by the social disturbances engendered by mass laying off of millions of people ? Why should not workers alternatives in industrial field and peoples' alternatives in other fields be given a chance on a national level ? Why should the national economic policies be determined by international financial bodies and developed countries? There are many disturbing and angry questions like this. Answers to these questions are simple. The loss to society is inflicted not by those who try to achieve social and economic justice on the formulation and implementation of the economic policy, but by those who, ignoring the effect, undermine the social, economic and national foundations of the country.

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