

Recent Trends in Labour Relations in Indian Automobile Industry: the case of TKM and its Supply Chain

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1. Political Economy of Automobile Manufacturing in India

India and probably other Asian developing countries as well are facing a serious crisis of unemployment, underemployment, lack of decent employment and a crisis of shrinking spaces for democratic rights and human rights in industrial relations. All the above factors also appear to be correlated. In India, the liberalization of economy and related politico-economic dynamics has clearly a negative impact on employment growth and on all other related factors. Employment growth in post liberalization era has been consistently equal to or below the labourforce growth (Kerswell and Pratap 2018). While the pre-liberalization period saw employment growth largely proportional to the GDP growth, in post liberalization period, GDP growth largely appears to be detached from employment growth; Higher GDP growth may be accompanied with lower employment growth and vice versa, which may largely be due to the fact that an increasing portion of GDP exists outside the real economy, and not in manufacturing sector which is considered to be the major driver of employment growth (Kerswell and Pratap 2018). In these situations expansion of organized manufacturing and particularly the labour intensive manufacturing emerges as core strategy to resolve the crisis of employment and also the crisis of decent employment. It is in this connection expansion of automobile manufacturing sector has a special significance for the economy as a whole, as it emerges as a driving force for many other manufacturing sectors as well. The automotive sector has been actually considered as the mother of the manufacturing sector as it directly impacts the growth of several manufacturing sectors which supply the raw materials for automobile manufacturing. For example, major or significant proportion of production in manufacturing sectors like Iron and steel, Aluminum, lead, rubber, plastics, Glass, machine tools, molds and dies, chemicals, capital goods, electrical and electronics is targeted for automobile manufacturing. Similarly significant proportion of revenue in service sectors related to Fuel supply, logistic, banking, insurance, sales and distribution, service&repair largely depends on automobile industry.

The automobile industry in India contributes about 7% in country's GDP (Bhattacharya et al 2014, ACG 2019). Automobile sector's share in total employment is also claimed to be about 7-8%. Automobile sector also accounts for 4% of country's total exports, 39% of FDI inflows and contributes 17% to total indirect taxes collected (Bhattacharya et al 2014). Total direct and indirect employment generated by this sector is claimed to be about 13 million-19 million (Bhattacharya et al

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2014; ACG 2019²). No reliable statistical data is available to justify these estimates. However, the employment data on transport equipment manufacturing is consistently available and it shows that the workforce in this industry increased from 0.6 million in 1999-00 to 1.5 million in 2009-10; thereafter the employment growth stagnated and remained at 1.5million in 2011-12 (Mehrotra et al 2014³). This stagnation was probably the result of the industrial restructuring under process in terms of automation etc. and/or a crisis setting-in that was reflected in stagnant sales in 2012-13 (Bhattacharya et al 2014⁴).

India is 4th largest automotive market in the world (ACG 2019). In the Commercial Vehicle market, India is the second largest bus manufacturer, third largest Truck manufacturer, and largest Tractor manufacturer (Bhattacharya et al 2014). The country is producing around 25mn vehicles, out of which only about 3.5mn are exported, mainly to Africa, the Middle East, and South East Asia. India's share in global auto export market is only 0.53% and is placed at as low as 26th rank (ibid). In overall domestic automobile sales, 77.4% is accounted by two-wheelers, 15.1% by passenger vehicles and 4.45% by commercial vehicles (ibid).

There are more than 30 OEM players in India offering more than 75 options in all categories of vehicles. Total vehicle production is about 30,915,420 including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadric-cycles (SIAM 2019b⁵). However, major share of market in every segment is monopolized by only few companies. For example, in passenger car section Suzuki monopolizes as high as 51% market share, and just six companies including Suzuki, Hyundai Motors (16.2), Tata Motors (7) and Mahindra and Mahindra (7.3), Honda India (5.2) and Toyota Kirloskar (4.5) monopolize 91.2 % of market. In Luxury car section about 70% market is monopolized by just two companies-Mercedes Benz and BMW. In two wheeler section only two companies, Hero Motocorp (36.2) and Honda India (27.2) monopolize about 64% of market and just four companies including these two and TVS Motor (14.2) and Bajaj Auto (11.2) monopolize about 90 percent of the market. In three Wheeler section, Bajaj Auto alone monopolizes 58.5% of the market, and only three companies including Bajaj Auto, Piaggio Vehicles (23.4) and Mahindra and Mahindra (9) together monopolize more than 90% of the market. In Commercial vehicle section Tata Motors alone monopolizes about 45% of the market, and only three companies including Tata Motors, Mahindra and Mahindra (22.6) and Ashok Leyland (16.8) monopolize more than 83% of market. (Table 1)

²ACG (2019). Indian Automobile Industry Outlook 2019, available at <https://www.autobei.com/autoreports/automotive/indian-automobile-industry-outlook-2019/>, accessed on 24 June 2019

³Mehrotra, S, Sinha, P. Sharmistha, K. Jajati, and A. Gandhi. 2014. "Why a Jobs Turnaround Despite Slowing Growth?" New Delhi: Institute of Applied Manpower Research, Planning Commission, Government of India Occasional Paper 1/2014.

⁴ Bhattacharya, Souresh ,Mukhopadhyay, D. and Giri, Sunil (2014). Supply Chain Management In Indian Automotive Industry : Complexities, Challenges And Way Ahead; International Journal of Managing Value and Supply Chains (IJMVSC) Vol.5, No. 2, June 2014, available at <http://airccse.org/journal/mvsc/papers/5214ijmvsc06.pdf>, accessed on 26 June 2019

⁵SIAM (2019b). Performance of Auto Industry during 2018-19, available at <http://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=9>, accessed on 24 June 2019

Table 1: Major Players in Indian Automobile Market in different segments

Companies	Market share in India in 2018				
	Passenger cars	Luxury cars	Two Wheelers	Three Wheelers	Commercial vehicles
Maruti Suzuki India	51		2.9		1.1
Bajaj Auto			11.2	58.5	
Tata Motors	7				44.2
Mercedes Benz		38.5			
Hero MotoCorp			36.2		
Honda India	5.2		27.2		
BMW		27.5			
Piaggio Vehicles			0.4	23.4	
Mahindra & Mahindra	7.3			9	22.6
Ashok Leyland					16.8
TVS Motor			14.2	2.4	
Hyundai Motor India	16.2				
TOYOTA KIRLOSKAR	4.5				
Ford India	2.9				

Renault India	2.4				
Nissan Motor India	1.2				
Royal Enfield			3.9		
Yamaha Motor			3.7		
Eisher Trucks and Buses					5.8
Force Motors Lts					7.8
SML Isuzu Lts					1.1
Atul Auto				6.1	

Source: Taumar, Deepanshu, Nangla, Pratistha and Mishra, Shruti (2019). Complete Indian Auto Sales Analysis 2018: CV sales cross one million mark; available at <https://auto.economictimes.indiatimes.com/news/industry/complete-india-auto-sales-analysis-2018-cv-sales-crosses-a-million-mark/67549073>, accessed on 9 July 2019

Automotive mission plan 2016-26 has proposed big initiatives to boost automobile manufacturing in India, with an aim to increase the GDP contribution from automobile sector from 7% to 12%, which may be more than 40% of manufacturing GDP (SIAM 2019⁶), and also to make India emerge as the third largest passenger vehicle market. It is expected that by 2026, passenger vehicle manufacturing may increase between 9.4-13.4 million units, commercial vehicle between 2.0-3.9 million units, two wheeler to grow to 50.6- 55.5 million, and tractors to 1.5 - 1.7 million units (ET 2015⁷). The mission plan hopes to increase exports multifold to reach 35-40 percent of overall output (ET 2015). It is also expected that this expansion may also contribute to more than 60 million additional direct and indirect jobs (Gupta et al 2019⁸). Looking at the measures proposed or undertaken in automotive Mission Plan

⁶SIAM (2019). Automotive Mission Plan 2016-26: A curtain Raiser, available at <http://www.siamindia.com/uploads/filemanager/47AUTOMOTIVEMISSIONPLAN.pdf>, accessed on 25 June 2019

⁷ET (2015). Automotive Mission Plan 2016-26 unveiled, available at <https://auto.economictimes.indiatimes.com/news/industry/automotive-mission-plan-2016-26-unveiled-here-are-the-key-highlights/48772090>, accessed on 20 June 2019

⁸Gupta, Shivanshu, Huddar, Neeraj, Iyer, Balaji and Möller, Timo (2019). The future of mobility in India's passenger-vehicle market, available at: <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/the-future-of-mobility-in-indias-passenger-vehicle-market>, accessed on 22 June 2019

2016-26 and the emerging tendencies in the automobile industry, expansion of automobile manufacturing and market may be a realistic plan but claims of job creation looks highly unrealistic; rather it seems that employment intensity in automobile manufacturing may be reaching at very low point.

2. Recent Trends in Automobile Industry

There are two most important and probably interdependent tendencies emerging in the automobile industry.

First, Automation and particularly robotic automation is happening across many industries in India, particularly from 2009, and it is estimated that automation may take away about 70% jobs in India. This may naturally hit most badly to the formal sector jobs. Automobile sector is the current mainstay of robotics and playing a leading role in expansion of robotic automation and it has also an impact in terms of spreading this trend in other sectors as well, particularly the industries linked with its value chain. The robots are increasingly installed in body shops, paint shops, powertrain and assembly lines in almost all OEMs in automotive industry. But it is more interesting to note that robotic automation is also spreading in the lower tiers of the value chain, and it is expected that small and medium enterprises in the value chain may lead more explosive growth in robotic automation as they are large in numbers, and they may be compelled to adopt these technologies to cater the quality requirements and Just-in-Time supply needs of OEMs. There was an increase of 30 percent in robotic sales in India in 2017 and automotive sector accounted for more than 62% of all robotic installations. It is considered that automotive sector in India has immense opportunities for robotic automation as it has still a very low robotic density (85 per 10000 workers) compared to other developing countries for example, China (505 per 10000 workers) and Indonesia (378 per 10000 workers). The pace of robotic installations in automatic OEMs is reflected in the fact that in 2015, as high as 5000 robots were working in Gurgaon and Manesar plant of Maruti Suzuki India Ltd in Haryana state. Other OEMs are also not behind. During the same period Ford Sanand plant had 453 robots in the shop floor with up to 90 per cent of the work automated. Volkswagen India had 123 robots at its Pune plant. [Hyundai](#) Motor India had 400 robots at its factory in Chennai. Similar are the situations in other OEMs. The main trend is that the new plants of the OEMs emerge completely automated and the old plant are gradually automated and gradually downsized. For example, Honda's first plant in Manesar (Haryana) has 65 automation processes and requires one person to produce one vehicle, while its fourth plant established recently in Vithalpur (Gujarat) has 241 automation processes and requires 0.64 person/vehicle. This means 36 percent jump in productivity. Bajaj Auto sets an interesting example of early use of robots, and gradually moving to productions of robots initially mainly for its own manufacturing units and also for its supply chain. Production lines in Bajaj Auto's manufacturing plants in Akurdi, Chakan, Waluj and Pantnagar are dominated by Cobots, and this also facilitated feminization of workforce, in terms that now women form almost 50% of workforce in Bajaj Auto. It may also be interesting to note that with increasing automation in automobile sector, it is also spreading in other industrial sectors linked to its value chain, for example, robot sales in the

rubber and plastics, metal and electrical and electronics industries increased by 46 percent in 2017. The robotic automation may have various advantages like increasing productivity and quality standards as well as achieving better safety standards, but it seems that this is also driven by a motive to end or at least shrink the space for unionization and collective bargaining to minimum possible levels. In automotive sector generally a robot replaces only about three workers, and therefore production by robots is 10 times costly than manual labour. However, robots may give advantage of highest flexibility in production without any overhead costs and without any social unrest, which has become so important factor for automobile industry in recent years. This may be one of the important reasons why companies are aggressively moving for automation even when they have to heavily compensate to the workers. For example, automation in Bosch Limited resulted in terminated 261 workers in 2017 and the company aggressively moved with its plan even when finally it had to pay a compensation of about 1.5 million INR to each worker. (For details See: Ajay Gurjar 2019⁹; Geeta Nair 2016¹⁰; TE Narasimhan 2018¹¹; IFR 2019¹²; Prashant K. Nanda 2019¹³; Das 2017¹⁴; Amrit Raj 2017¹⁵; Universalrobots 2019¹⁶; Assembly 2019¹⁷; and Lijee Philip 2015¹⁸)

Second, Auto Industry appears to have entered in a crisis and it probably reflects an overall crisis of Indian economy. The first major crisis (general crisis and not only specific to auto industry) emerged in the wake of global financial crisis 2008-09 and then not so major but still critical crisis emerged in 2012-13 and then in 2015-16, and finally it appears to have entered in a major crisis in 2018-19.

⁹ Ajay Gurjar (2019). In India, the adoption of robots is set to increase, available at https://yaskawaindia.in/YIND_Coverstory_AutomotiveProductsFinder_May'19.pdf, accessed on 10 July 2019

¹⁰Geeta Nair (2016). Bajaj Auto becomes robot maker; installs 120 Co-bots at three plants, available at <https://www.financialexpress.com/industry/bajaj-auto-becomes-robot-maker-installs-120-co-bots-at-three-plants/351505/>, accessed on 10 July 2019

¹¹TE Narasimhan (2018). Indian automobile units employing robots to improve your car's efficiency, available at https://www.business-standard.com/article/technology/indian-automobile-units-employing-robots-to-improve-your-car-s-efficiency-118051601579_1.html, accessed on 10 July 2019

¹²IFR (2019). India's robot sales surged by 30 percent, International Federation of Robotics, available at <https://ifr.org/ifr-press-releases/news/indias-robot-sales-surged-by-30-percent>

¹³Prashant K. Nanda (2019). How automation is changing face of labour in India, available at <https://www.livemint.com/Industry/MMTriv0K4VbwGVpu2DP0MM/How-automation-is-changing-face-of-labour-in-India.html>, accessed on 10 July 2018

¹⁴Das, Gautam (2017). Going, Going, Gone: Automation can lead to unprecedented job cuts in India, available at <https://www.businesstoday.in/magazine/cover-story/going-going-gone/story/253260.html>, accessed on 11 July 2019

¹⁵Amrit Raj (2017). Robots sweep across Maruti Suzuki's shop floor, available at <https://www.livemint.com/>, accessed on 10 July 2019

¹⁶Universalrobots (2019). Why The World's Third Largest Motorcycle Manufacturer Opted For Universal Robots, available at <https://www.universal-robots.com/case-stories/bajaj-auto/>, accessed on 10 July 2019

¹⁷ Assembly (2019). Industrial Robot Sales Reach Record Level in India, available at <https://www.assemblymag.com/articles/94722-industrial-robot-sales-reach-record-level-in-india>, accessed on 10 July 2019

¹⁸Lijee Philip (2015). Man vs Machine: Robots are replacing workers in auto plants in India, available at <https://auto.economicstimes.indiatimes.com/news/industry/man-vs-machine-robots-are-replacing-workers-in-auto-plants-in-india/49991064>, accessed on 10 July 2019

During 2008-09 among various measures to reduce the cost to the company and boost their sales, the government bail-out package included significant duty-cuts on the one hand, and lowering the interest rates on auto loans on the other (ET 2008¹⁹, 2009²⁰). 2012-13 crisis was more pronounced in commercial vehicle sector. The medium and heavy truck segments shrunk by 26-29 percent in 2012-13, light commercial vehicles and buses also recorded a slowdown, overall industry was expected to shrink by 19 per cent in 2013/14 (Madhavan 2014²¹). The crisis was also reflected in the fact that in 2012, only 1.5 per cent of the loans for buying trucks were classified as non-performing assets, while in 2013 the figure shot up to 4.4 per cent (Madhavan 2014). Again the government has to come out with bailout package to save the auto industry from this crisis, which included funding of 10000 buses under a fresh program under the Jawaharlal Nehru National Urban Renewal Mission, and a so called modernization scheme mandating replacement of more than 10 year old trucks with new ones, and offering incentives for this by 50% reduction in excise duty and sales tax, which amounted revenue loss of 1.2 lakh INR per vehicle to the government (Madhavan 2014). The crisis again emerged in 2016, when sales were sliding down for better part of the year till the sudden announcement of demonetization that brought sales to a screeching halt. Auto-industry in general witnessed de-growth of 5.5 per cent in wholesale sales in November 2016, and the drop in retail sales was even worse (India Today 2016²²). Finally in 2018-19, auto industry enters in to crisis that is all encompassing. According to SIAM (Society of Indian Automobile Manufacturers) over all domestic automobile sales recorded a down fall of about 24 percent, from 2382436 units in August 2018 to 1821490 units in August 2019. The Passenger vehicle sales declined by about 32 percent, commercial vehicles by about 39 percent and two wheelers by about 23 percent. The overall domestic sales have fallen for the fifth consecutive month of the Financial Year 2019-20. There was a decline of [18.71 per cent in July](#), [12.34 per cent in June](#), [8.62 per cent in May](#) and [15.93 per cent in April](#). (Varun 2019²³)

¹⁹ET (2008).Govt unveils Rs 30,700-cr stimulus package, available at <https://economictimes.indiatimes.com/news/economy/finance/govt-unveils-rs-30700-cr-stimulus-package/articleshow/3805950.cms?from=mdr>, accessed on 11 July 2019

²⁰ET (2009).State Bank Offers auto loans at 10% for one Year, available at <https://economictimes.indiatimes.com/wealth/personal-finance-news/state-bank-of-india-offers-auto-loans-at-10-for-one-year/articleshow/4163574.cms>, accessed on 11 July 2019

²¹Madhavan, N. (2014). Stuck, available at <https://www.businesstoday.in/magazine/features/stimulus-for-recession-hit-commercial-vehicles-sector-no-help/story/202678.html>, accessed on 11 July 2019

²²India Today (2016). 2016: A year of ups and downs for the Indian automobile industry, available at <https://www.indiatoday.in/auto/auto-news/story/2016-a-year-of-ups-and-downs-for-the-indian-automobile-industry-358837-2016-12-21>, accessed on 11 July 2019

²³Singh, Varun (2019). Indian automobile crisis: Domestic sales decline 23.55 per cent in August 2019, India Today, Sept 9, 2019, available at <https://www.indiatoday.in/auto/latest-auto-news/story/indian-automobile-crisis-domestic-sales-decline-again-in-august-2019-1597197-2019-09-09>, accessed on 24 November 2019

There has been an accompanying downfall in overall production of automobiles by about 19%, from 2816187 units in August 2018 to 2296711 units in August 2019(Varun 2019²⁴). In August there was very small relief by way of 2.37 percent rise in overall automobile exports, from 411341 units in August 2018 to 421107 units in August 2019; however, the commercial vehicle exports continued to fall down drastically (Varun 2019²⁵).This de-growth is registered across various segments of the industry and not concentrated to only one or two segments and therefore reflecting a general crisis of auto industry. It is worth mentioning that the dip in the sales has been continuing from about last 12 months and the situation became so serious that Dealers were facing 50% more inventory than normal, and therefore most of the passenger vehicle makers including Suzuki, Tata Motors, Mahindra and Mahindra, Honda, Renault etc. had to announce shutdowns of their plants for 5 to 13 days in almost every month from May-June 2019 ([Thakkar et al 2019²⁶](#), [Mathew 2019²⁷](#)).[The worst impact of these slow-downs and shutdowns in OEMs was felt by the component suppliers](#) (Kamat 2019²⁸).

The crisis in automobile industry reflects a general economic slowdown in India, and this is felt across the industries and sectors, right from automobiles to scrap business and street vending. According to the National Council of Applied Economic Research (NCAER) the GDP growth of India for 2019-20 has fell down to as low as 4.9 per cent, declaring that, “India is experiencing a decline in growth, which is sharper than the global slowdown. The sharp decline in growth reflects a growth slowdown across virtually all sectors. It is primarily being driven by a simultaneous deceleration of all the drivers of aggregate demand” (Roychoudhury 2019²⁹).

It is clear from the above that the current crisis of automobile industry reflects on overall crisis of economy. In earlier periods when sales in urban areas went down, sales in rural areas largely compensated for it. But this is a kind of crisis when there is de-growth in sales in rural and as well as urban areas, therefore reflects a larger crisis. Decline in overall automobile sales specifically reflect on

²⁴Singh, Varun (2019). Indian automobile crisis: Domestic sales decline 23.55 per cent in August 2019, India Today, Sept 9, 2019, available at <https://www.indiatoday.in/auto/latest-auto-news/story/indian-automobile-crisis-domestic-sales-decline-again-in-august-2019-1597197-2019-09-09>, accessed on 24 November 2019

²⁵Singh, Varun (2019). Indian automobile crisis: Domestic sales decline 23.55 per cent in August 2019, India Today, Sept 9, 2019, available at <https://www.indiatoday.in/auto/latest-auto-news/story/indian-automobile-crisis-domestic-sales-decline-again-in-august-2019-1597197-2019-09-09>, accessed on 24 November 2019

²⁶Thakkar, Ketan and Shyam, Ashutosh R (2019). Auto companies slam brakes on production, available at: <https://auto.economicstimes.indiatimes.com/news/passenger-vehicle/cars/auto-companies-slam-brakes-on-production/69718795>, accessed on 24 June 2019

²⁷Mathew, Promod (2019). There are so many unsold cars in India now that automakers are taking forced holidays, available at: <https://qz.com/india/1641222/siam-car-sales-may-2019-data-show-indias-auto-sector-is-in-dumps/>, accessed on 22 June 2019

²⁸Kamat, Vatsala (2019). Auto sector slowdown, tech changes a double whammy for auto component firms, available at <https://www.livemint.com/>, accessed on 24 June 2019

²⁹Roychoudhury, Arup (2019). NCAER pegs India's FY20 GDP growth at 4.9% as slowing demand weighs, Business Standard, November 16, 2019, available at https://www.business-standard.com/article/economy-policy/ncar-pegs-india-s-fy20-gdp-growth-at-4-9-as-slowing-demand-weighs-119111601435_1.html, accessed on 24 November, 2019

the decreasing purchasing power of the people, and slow down on commercial vehicles sales specifically reflect on the overall investment cycle slowdown.

Indian government has been trying to resolve this overall economic crisis by following policy initiatives:

- a) Facilitating a demographic shift in the population. This ultimately means mass destruction of livelihoods, pauperization of rural masses and mass migration to urban centers. This may result in drastically increasing the labour reserves in urban centers and thereby drastic decline in real wages. This may have a double impact in terms of expansion of market: i) an increased population trapped in complete dependence on market resulting in overall expansion of market for commodities, and in increased use of transport which may boost the growth in automobile sector; and ii) there may also be an expansion of population section with high purchasing power, not only by capturing the resources after mass dispossession of the people, but also in general by complete market dependence of the masses dispossessed. The Automotive Mission Plan 2016–26 hopes that ‘Rising incomes will also play a role, as roughly 60 million households could enter the consuming class (defined as households with incomes greater than \$8,000 per annum) by 2025 and labour participation rate ‘could reach 67 percent in 2020, as more women and youth enter the job market, raising the demand for mobility’ (Gupta et al 2019³⁰).
- b) Automotive Mission Plan is attempting a complete transformation of automobile sector in terms of jumping from BS-4 to BS-6 (Euro VI) vehicles in the name of tackling the emission standards. This may compel replacement of existing vehicles by new vehicles. Government is incentivizing this by its policy on end-of-life or Scrappage, which may offer lower taxes, discounts on purchase prices, and simple compliance processes. Along with this, the government is promoting the electric vehicles in big way. FAME1 (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) offers incentives to electric vehicles (EV) and hybrid EV buyers and FAME2 will incentivize electrification of the public-transport fleet of buses and taxis, as well as facilitate demand for all types of alternative fuel (Gupta et al 2019). To enable immediate adoption, a nominal GST of 5% is proposed for electric vehicles as against 28% for other vehicles, and an additional income tax deduction of Rs 1.5 lakh on the interest paid on the loans taken to purchase EVs is proposed in new Budget (India Today 2019³¹). These policy initiatives may certainly give a big boost to the automobile industry.
- c) Labour law reforms are particularly focused on following aspects: i) Reducing the labour cost by: 1) allowing huge proportion of low cost apprentices and reimbursing significant part of stipend to employers; 2) reimbursing the social security contributions to employers; 3) maintaining the

³⁰Gupta, Shivanshu, Huddar, Neeraj, Iyer, Balaji and Möller, Timo (2019). The future of mobility in India’s passenger-vehicle market, available at: <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/the-future-of-mobility-in-indias-passenger-vehicle-market>, accessed on 22 June 2019

³¹India Today (2019). Budget 2019: GST on electric vehicles reduced to 5 per cent, buyers to get Rs 1.5 lakh tax benefit, available at <https://www.indiatoday.in/auto/latest-auto-news/story/budget-2019-gst-on-electric-vehicles-reduced-to-5-per-cent-buyers-to-get-rs-150000-tax-benefit-1562720-2019-07-05>, accessed on 11 July 2019)

minimum wages to the lowest possible level, and practically reducing the scope of collective bargaining to effectively make the minimum wage as maximum wage; 4) highest possible level of flexibility by facilitating ease of closure of business and ease of hire and fire as and when required, without any significant overhead costs. The amendments already done or proposed in various labour laws and related legislations are focused to largely achieve these objectives.

- d) Industrial Automation emerges as one of the most important focus areas of the government, the buzz word being the Artificial Intelligence. The government clearly identifies the areas where it is to be promoted by policy initiatives to boost productivity, and one of the most important areas is obviously the manufacturing. Well recognizing the fact that automation may result in huge job losses, the government justifies it by saying that “As technology increasingly disrupts the nature of jobs and shifts the benchmarks of technological aptitude, skilling and reskilling of workforce forms an integral part of our approach to adopting AI. There is an emergent need for reskilling the existing workforce and developing future talent in accordance with the changing needs of the job market. This could be done via the adoption of decentralized teaching mechanisms working in collaboration with the private sector and educational institutions to prescribe certification with value. Furthermore, promotion of job creation in new areas, like data annotation needs to be identified and promoted, as these would have the potential of absorbing a large portion of the workforce that may find itself redundant due to increasing automation. (Niti Ayog 2018³²)

The above four factors are already underplay in automobile industry, whether with or without policy support or legal backing; and its overall impact is disastrous for workers and reducing their collective bargaining power to the minimum.

A recent report by labour activists working with the Gurgaon-Manesar automobile workers movements (Amit and Nayanjoti 2018³³) revealed that in the last decade (before 2012-13) it was observed as general tendency of companies increasingly splitting their production lines and shifting increasing proportion of production from unionized units with less automation and greater proportion of regular formal workers to new un-unionized units with greater automation and greater proportion of irregular, contractual and informal workforce and hence less chances of unionization and collective bargaining. This strategy clearly emerged to counter the comparatively a strong trade union movement that emerged specifically in automobile industry of this region. In this strategy, along with shift of production, generally the existing regular formal workers were not affected in terms of any job loss,

³²NitiAyog (2018). National Strategy for Artificial Intelligence, NitiAyog, Govt of India, available at https://niti.gov.in/writereaddata/files/document_publication/NationalStrategy-for-AI-Discussion-Paper.pdf, accessed on 11 July 2019

³³Amit and Nayanjyoti (2018). Changes in Production Regimes and Challenges to Collective Bargaining: A study of the Gurgaon Industrial Belt, CSE Working Paper 2018-18, Centre for Sustainable Employment, AzimPremji University, Bangalore, available at https://cse.azimprejiuniversity.edu.in/wp-content/uploads/2019/01/SWI_2018_BackgroundPaper_AmitNayanjyoti.pdf, accessed on 26 June 2019

but it effectively reduced their collective bargaining power by dividing and dispersing them and making them minority workforce by engaging greater proportion of contract workers in both old and new units. However, in last 6-7 years we observe a completely new tendency. It appears that the shift of production is now strategically accompanied with full closures of old units or partial closures with downsizing of workforce and firing out even those regular-formal workers who had been working for many years in the company. This is a clear indication of an overall industrial restructuring, rather than simple traditional strategy to avoid and counter the trade unionism.

This is to be kept in mind that this is the period when some major labour laws were changed. For example, apprentice act amended by the government of India in 2014 now allows: a) engaging larger proportion of apprentices by removing earlier regulatory provisions and limits; and b) engaging any one with 12th standard qualification as apprentices (in place of earlier provision for only ITI and diploma trade apprentices and graduate apprentices) and offering reimbursement of significant part of stipend to employers under NEEM scheme (National Employability Enhancement Mission). Amendment in Employment (Standing Orders) Act in 2016 allowed engaging workers on fix term contract (in place of earlier provision for only regular contracts or casual workers). It is also interesting to note that automobile industry faced first major crisis in recent decades in 2008-09 which was an impact of general crisis, but it largely entered in a systemic crisis in 2012-13 which is largely continuing. Also, the new initiatives towards automation in automobile industry started from 2009 and largely from 2012-13 it emerged as general feature of development and expansions in the industry. Probably all these factors contributed in the emergence of the above trends of industrial restructuring in terms of closure of old plants, firing the regular-formal-unionized workforce and establishing new plants with more automated operations and downsized-more vulnerable-non-unionized workforce.

The above mentioned report (Amit and Nayanjoti 2018³⁴) has documented many cases of this ongoing industrial restructuring, firing large numbers of workers without even following the legal procedures, forced VRS (voluntary retirement scheme), repressions unleashed against workers and continuing workers struggles around these issues. Some of the notable cases where shifting of production and partial/full closure of units happened and where workers struggles are still going on includes component suppliers like Omax Auto (Dharuhera), Rico Auto (Dharuhera), Automax (Binola), Endurance (Manesar), Napino Auto (Gurgaon), and OEMs like Bajaj Auto (Gurgaon) etc. In others cases without shifting the production or partial/full closure of factories the same industrial restructuring is going on with almost same impacts on workers. In most cases this largely happened after 2012. For example, in Maruti-Suzuki (Gurgaon), out of total 10000 workers, now there are only

³⁴Amit and Nayanjoti (2018). Changes in Production Regimes and Challenges to Collective Bargaining: A study of the Gurgaon Industrial Belt, CSE Working Paper 2018-18, Centre for Sustainable Employment, AzimPremji University, Bangalore, available at https://cse.azimpremjiuniversity.edu.in/wp-content/uploads/2019/01/SWI_2018_BackgroundPaper_AmitNayanjyoti.pdf, accessed on 26 June 2019

2200 regular-formal workers and the rest are placed in various categories of temporary/ informal workers like company trainees, contract workers, apprentices, temporary workers (TW-1 and TW-2), and student trainees. Interestingly all these workers do almost similar kind of work in production lines. Similar is the case with India Japan Lighting-IJL (Bawal), in which out of total about 1000 workers, there are only 89 regular formal workers, the rest are categorized as Diploma apprentice (400), Graduate apprentice (100), NEEM apprentice (250), Company trainee (19) and contract workers (200). In case of NSK Rane (Bawal), a major component supplier of Maruti Suzuki, out of total about 900 workers, only 122 are regular-formal workers, the rest are categorized as diploma trainee (400), company trainee (100), and contract workers (250). Similar are the situations in other companies as well. It is interesting to note that apprentices and trainees are now forming the majority of workforce, and on the other hand, the apprentices of any category are legally not considered as workers and have no labour rights, and trainees also have only limited rights. In unionized OEMs like Maruti Suzuki, the wages of regular formal workers are about 30000-50000, the company trainee and company temporary workers get about 20000, contract workers about 17000, diploma apprentices about 14000 and student trainees get about 11000. In unionized component suppliers like NSK Rane and IJL, permanent workers get about 25000-30000, company trainees about 15000, contract workers get minimum wage which is about 8000-9000, graduate apprentices about 11000-12000, and student-trainees get about 5500. In non-unionized units wages and benefits are generally lower than the unionized units. Interestingly, diploma apprentices in NSK Rane, who run 4 out of 5 assembly lines, went on strike in 2012 demanding production incentive, right to form and join union, regularization of their job after completion of three years of apprenticeship, reduction of work load etc. The strike significantly affected the production and supply of parts to Maruti-Suzuki, however, the company was not ready to accept their demands at any cost. Lastly striking diploma trainees decided not to work for this company anymore and resigned collectively. This was also because the injustice that they were facing was legally sanctioned and they were not in a position to challenge it in any court of law. This struggle clearly reflected the power and limitations of this workforce in exercising the right to collective bargaining.

This is worth mentioning that the current economic slowdown is accelerating the above processes in the automobile industry. Along with cutting productions, the companies are attempting to downsize the workforce. In almost all the automobile assembling plants and tier I & II companies, large proportion of contract workers are already fired and the process is still ongoing. According to the information gathered from Trade union activists, about 3000 contract workers in Maruti Suzuki plants, 1500 in Mahindra&Mahindra, 1700 in Nishan Motors, 1700 in Yamaha Motors, 800 in Denso Corp and Suzuki Motor Corp, 500 in Vee Gee Kaushiko Auto Parts, 800 in Wheels India, 350 in Bellsonica, and 400 in Honda (HMSI) have already been fired. Moreover, there are also attempts to downsize the

regular-permanent workers in most of the companies. Among others, Toyota Kirloskar Motors India, General Motors, Hero Moto Corp and Ashok Leyland have already announced VRS (Voluntary Retirement Schemes) for permanent workers.

There is a general fear among workers that anyone can be in the next list of getting fired. In this atmosphere the trade unions are largely compelled to go on defensive and there are rarely any big protests-strikes in automobile companies in last few months. However, such silences are always temporary. The Honda workers' strike has already broken this silence. Honda workers (HMSI Manesar plant) went on strike on 4th November against retrenchment of about 400 contract workers. Regular workers are also participating in strike. On 22 November the workers organized 22 km march from the Factory place to district labour commissioner's office to highlight their grievances and demands. On 23 November 2019 the company suspended 3 union office bearers including the president of the union, along with 3 other workers. However, strike still continues as on 24th November 2019.

3. The Toyota Motors in India

Toyota Kirloskar Motors Pvt Ltd (TKM) was established in 1997 as joint venture between Toyota Motor Corporation Japan and Kirloskar Group India in Bidadi near Bangalore. As of now, the share of Toyota is 89% and that of Kirloskar is 11%. Toyota Kirloskar Autoparts (TKAP) was established in 2002 at Bidadi as joint venture between Toyota Motor Corporation, Japan, Aisin Seiki Co. Ltd, Japan and Kirloskar Systems Limited, India. It mainly produces Axles & Shafts, Transmissions and Engines, for its own cars in India and well as for exports (TKAP website-<https://www.tkap.com/>). In 2008 TKM expanded its operations and established one more plant with greater capacity at the same place. The twin plants of TKM in Bidadi are spread across 432 acres and have manufacturing capacity of 310000 vehicles per year. Later on Toyota also established one more manufacturing facility in Gurgaon. Major vehicles manufactured in TKM's facility include Innova, CorrollaAttis, Fortuner, EtiosLiva, Etos Cross, Camry and Camry hybrid. Toyota also imports its vehicles like Land Cruiser, Prado, Prius as completely built units to sell in Indian market. On the other hand, TKM also exports Etios to South Africa, Mauritius, Zimbabwe, Sychelles, Sri Lanka, Nepal, Indonesia and Brunei, and also exports Innova to Sri Lanka and Fortuner to Nepal.

TKM has more than 286 dealers spread across the country and 111 suppliers with majority of important suppliers concentrated in the Bangalore region itself. Consistent with the general trends in automobile industry in India many important suppliers of TKM are either joint venture companies of the Toyota or joint venture companies of some other Japanese companies.

In recent years Toyota and Suzuki have established an alliance globally in terms of Toyota acquiring 4.94 per cent stake (96 billion yen) in Suzuki and Suzuki acquiring similar stake (48 billion yen) in Toyota. These developments are well reflected in India and especially in case of TKM as well. The two companies, TKM and Suzuki, have already entered an agreement of cross badging of products like the Baleno and Brezza from Maruti and Corolla from Toyota. The first of them, the Baleno, was recently rebadged and launched as the Glanza by Toyota.

4. Recent Trends of Labour Relations in TKM and its Supply Chain

The study was conducted in the month of December 2019. The study is mainly based on the extensive interviews from office bearers of the factory unions and the workers. However, the information provided by the workers was also corroborated from the relevant available documents on various issues dealt in the study. Four factories are included in the study-Toyota Kirloskar Motors and its three important suppliers including, Toyotetsu Auto Part, Tokai Rika Minda and Motherson Automotive.

A. The Case of Toyota Kirloskar Motors

I. No Robotisation but Transforming the Workers in to Robots

The case of TKM presents a unique case in terms that when we are observing a general trend of increasing Robotisation of workplace in automobile industry, this tendency appears to be completely absent in TKM. Considering the fact that TKM operates in the same environment and face same set of pressures and problems that are compelling other automobile companies to move towards Robotisation of workplace, how Toyota is able to manage avoiding it?

This is also interesting to note that in a period when Robotisation is a dominant trend in global automobile industry, Toyota in Japan claims to have started a reverse movement in terms of anti-automation or replacing automation with manual manufacturing. In 1930s Japanese people respected those who used their hands to create products, i.e., craftsmen, who were also called Gods-Kami Sama, and it seems that these Kami Sama is making a massive come back when humans are replacing the robots (Ghosh 2017³⁵). It is claimed that the Toyota which is supposed to be one of the most automated companies on the globe has started a manual manufacturing movement and has created around 100 manual intensive workplaces in last three years in Japan, replacing robots with manual

³⁵MohulGhosh (2017).Toyota Starts Anti-Automation Movement; Replaces Machines With Human Beings And The Results Are Fascinating!, available at <https://trak.in/tags/business/2017/03/30/toyota-anti-automation-movement-machines-humans/>, accessed on 12 July 2019

labour in hammering metal into crankshafts, metallurgy operations such as creating alloys, casting and forging, manufacture of entire axle beams and manufacturing parts of chassis etc; the new slogan being, “We need to become more solid and get back to basics, to sharpen our manual skills and further develop them”, and “We cannot simply depend on the machines that only repeat the same task over and over again” (Ghosh 2017)

TKM claims that it focuses on low cost automation and automation with human touch. Toyota Kirloskar Auto Parts (TKAP) develops & encourages Low Cost Automation (LCA) or ‘Karakuri’ (achieving motion with no power or low power) defined as ‘a system where man & machine collaborate & work together, meeting expectations of the Toyota way’ (Mohan Kumar 2018³⁶). Similarly, Jidoka (automation with a human touch) means when a problem occurs, the equipment stops immediately preventing defective products from being produced (Urs 2018³⁷), then it requires human interventions to resolve the problems and correct errors, which may lead to further improvements.

How Toyota is competitive, even more competitive than other automobile majors, even with far lower level of automation in production processes? In TKM there are only few Robots in Paint Shop and Weld Shop and there is no move towards Robotisation of workplace. This emerged as a big puzzle for the researcher. The puzzle was finally demystified by a union office bearer at TKM by clearly and systematically articulating that: “Toyota is not going towards Robotisation, rather, it is transforming the workers in Robots, now only those may be able to save their jobs in TKM who are willing and who have enough strength in their body to work like robots, or in other words, who are capable to compete with robots.” This was then echoed by all TKM workers interviewed.

The TKMEU (Toyota Kirloskar Motors Employees Union) office bearers and other TKM workers explained that after 2014, working conditions in TKM changed drastically, and looking at the problems the workers are facing one can easily understand how they are compelled to work like robots, or in other words, how they are compelled to transform themselves in to robots, if they want to save their jobs.

i) Robots don’t Require Toilet Breaks and TKM Expects Same from Workers

³⁶MOHAN KUMAR K G (2018) Automation &ControlLOW COST AUTOMATION — A CASE STUDY, available at <https://www.industr.com/en/low-cost-automation-a-case-study-2289389>, accessed on 18 July 2019

³⁷Anil Urs (2018).Toyota Kirloskar Motors showcases best practices, available at <https://www.thehindubusinessline.com/companies/toyota-kirloskar-motors-showcases-best-practices/article25056470.ece>, accessed on 18 July 2019

No worker can leave its workplace without permission from in-charge of the production line. The workers go for toilets only after taking permission, but then also the line in-charge records it as unauthorized absence from workplace. The total time taken in toilet breaks is recorded and calculated on monthly basis for each worker and accordingly wages are deducted from their monthly salary for this unauthorized absence. This is in clear violation of the labour laws of the land. The Factories Act clearly directs that the workers cannot be restricted from taking toilet breaks, whenever they need. On the other hand, wage cuts for toilet breaks amounts engaging in practice of forced labour.

ii) Robots don't Require any Leave and TKM Expects Same from Workers

After 2014 it became increasingly difficult for workers to get any leave even when they are eligible. Leaves are not granted and if workers go on casual leave even after properly informing the management this is recorded as unauthorized absenteeism and wages are deducted from the salary of workers. This is completely against the law. The management is legally bound to sanction the leaves they are eligible for; and moreover, they have also right take relevant number of casual leaves even without prior sanction from the management. The union filed a complaint to Deputy Labour Commissioner in July 2016 with details of deductions made from the salary of 626 workers during this period. The cumulative amount deductions in the period ranged from minimum 400 to 340000 for different workers. These deductions are made for unauthorized absence, the major part of which comes from recording the leaves and toilets breaks as unauthorized absence.

It is also interesting to note that in a situation when management wants to stop the work we observe a reverse situation, i.e., the workers do not want to go on leave but management compels them for the same. For example, in current period of slow down in automobile industry there are days when production is stopped by the management. In such situations legally the management is obliged to pay the workers layoff wages. However, the management considers it as leave for workers (a kind of forced leave) and asks the workers work on certain weekly offs so that the said leaves can be shown as compensation for weekly offs. This is legally unjustified but the practice continues.

iii) Robots don't Need Breaks to Eat, Drink or Rest and TKM Expects the Same from Workers

Indian labour laws provided in Minimum Wages Act 1948 and Factories Act 1948, clearly provides for 8 hours as normal working hours and 9 hours as normal working day. The normal working day includes 8 hours work and one hour of break including all lunch and tea breaks etc. The laws are very clear that no worker shall be required or allowed to work more than that explained above, and it means that this cannot be violated even by making agreement with union or workers. But in TKM this is systematically violated by making an agreement with union. Without understanding this issue,

the office bearers of the TKMEU in 2016 signed an agreement with management to make 8.35 hours of work within a normal working day of 9 hours. Because of this the breaks for the food and rest became minimum and painful. This is in a condition, when some parts of the breaks go in managing the workplace before leaving and travelling to the canteen. For example, according to workers, there is one break for 10 minutes but the effective break time for them is really only 8 minutes. This has made their life a hell. This is not only in clear violation of labour laws but also a kind of unpaid extra working hours for 35 minutes. The current union is continuously raising this issue with the management, but management is not ready to entertain any discussion on this issue on the ground that this is part of ongoing agreement with earlier union, and that the issue may be opened for discussion during the time of negotiations for next agreement.

iv) Speed of Robots can be Increased by Programming and TKM Expects the Same from Workers

The automotive assembling work is divided in various sub-assembling works of parts and components and each worker has specified tasks that he has to continuously perform. Now, to speed up the production process further TKM has done an intensive R&D in terms of identifying each and every action or each and every body movement of worker and standardized a time in seconds for each particular action or body movement. In this way, there are two takt time- one for the complete task, i.e., takt cycle time, and the other for each and every action in course of performing that task, takt time for each action. Moreover, in each action, time for actual action and walk time is also separately standardized. For example, the takt cycle time for the task of Frame Loading for Fortuner Model 578W is fixed at 2.38minutes (December 2018). Then this takt cycle time is divided in 30 action steps, for example, picking up pendant s/w X right hand, then move frame loading jig x frame dolly skid, then transfer frame jig x downward, then check side member bkt x frame, then temporarily place x frame dolly, then pickup loading jig x standard position and so on.... In all these action steps work time and walk time is separately fixed and they are all in seconds and some are fixed to the level of one tenth of a second.

Now suppose a worker could not complete the task in given takt cycle time, i.e, 2.38 minutes and is only able to reach at 25th action step (total being 30 steps), then total takt time fixed for remaining 5 steps is recorded for deduction from his wages. This is recorded for all workers, calculated on monthly basis and results in deduction from monthly salary of the workers.

Two strategies have been used to further speeding up the production process:

- a) Walk time in most of the action steps is completely eliminated, only in few actions it still remains but reduced to the minimum, i.e., 1.1 seconds to 1.7 seconds in our example. This means the body

of worker is fixed at one place and he has to stretch its body and move its shoulders and arms to perform various actions. This is typical to Robots. Mostly the body is stretched towards only one side and rarely at the other side and this creates serious posture related health problems.

- b) There are continuous attempts, year by year, to decrease the time allotted for each action in all assembling tasks. This compels the workers to really work like Robots. The stress during work has increased to unbearable levels.

Any change in the working conditions or the workload can be legally justified only when it is not in violation of law, not with any possibility of affecting the health and safety of workers and done in consultation and agreement with workers or the union. However, in this case, the union claims that it has not been even consulted before bringing such changes in workload in terms of intensification of work to unbearable levels, and that it is unilaterally imposed by the management. According to the union office bearers they were unaware about what kind of R&D has been done? If any R&D was done, it certainly did not take human factor in to consideration or assumed them as Robots.

According to union, to justify the takt cycle time the example is taken from most efficient workers at particular time. However, it is not rocket science to understand that even the same most efficient worker cannot maintain the same level of productivity for whole working day. On the other hand, all the workers cannot be at same efficiency level, efficiency may differ according to age and health conditions. This is why takt cycle time can be determined on the basis of average efficiency and not the highest efficiency. However, such factors are not considered in fixing the takt times of various actions of a task and takt cycle time of the task.

Before 2014 the standard practice of allotting lighter work to the workmen suffering from medical infirmities was followed, but after 2014 this practice was discontinued and such persons were also compelled to share the same workload as others.

The union continuously raised this issue that after 2014 the workload has been continuously increased without any justification and this is unilaterally imposed on workers without any consultation with union.

It is also interesting to note that from 2014 there is no significant increase in workforce but there is almost consistent increase in production over the years, without any automation of production processes. This explains how the workload on workers and intensification of work gradually increased to unbearable levels.

- v) **Robots do not Complain and TKM Expects the Same from Workers**

The union is consistently raising all the above issues since 2014, but there is no response from the management. Not only this, the workers are individually raising the issues of wage deductions done in the name of unauthorized absence from workplace (related to toilet breaks) and unauthorized absenteeism (related to leaves), but management is not even receiving and acknowledging their letters/complaints.

vi) **Robots do not exercise Unionism and Collective Bargaining and TKM Expects the Same from Workers**

It appears that there are three interlinked aspects of management strategy: a) Zeroing the unionized workforce (permanent workers and zeroing the unionism, b) reducing the labour cost to the minimum by engaging the most vulnerable workforce of apprentices and contract workers or fix term workers, and c) periodically changing the workforce to engage only those who are capable of working as Robots and retaining them only till they can work so. Then this may be more competitive and cost effective strategy than engaging the Robots, as the Robots require maintenance during idle periods, but vulnerable workforce can be thrown out without any overhead costs.

The workplace harassment in terms of intensification of work to the unbearable levels, deduction of wages for toilets breaks and leaves or in other words not allowing leaves and toilet breaks, reducing the time of breaks within working hours, and simply not listening to any complaints as explained above seems strategically directed to compel most if not all permanent workers to leave the job themselves and replace them with vulnerable workforce of apprentices and contract workers. According to workers, whenever they complain about the high workload and ask for justification of the same, they receive the simple oral reply-the workload will be the same, if anyone is not able to cope with this, he may leave the job.

Minimizing the number of permanent workers may save huge costs as their wages are 2-3 times higher than temporary workers. Currently the average salary of permanent workers is about 35000 (ranging from 26000 to 70000 depending on length of service), on the other hand, the wages of trainee workers is 18000-20000, contract workers 15000-18000 and that of apprentices is about 12000 per month. This clearly shows the benefits of replacing permanent workers with temporary workforce. However, the major objective behind this may be to end the unionism and collective bargaining, which is also the sole reason for increase in wages of permanent workers.

From 2014 or even earlier, there has been almost no new recruitment in permanent category of workers. Moreover, actually the number of permanent workers reduced over the years. A number of workers were suspended/terminated/dismissed. Also many workers had to go for Voluntary separation

scheme to leave the job in 2007, then 2017 and then in 2019. Probably this loss of workforce was compensated by increasing the number of apprentices. But there was no increase in total workforce.

Apprentices are legally not considered as workers and they can neither form nor join union. Contract workers or fix term workers are legally considered as workers but can be hired and fired periodically and therefore it becomes next to impossible for them to exercise the right to union and collective bargaining. It is interesting to note that the proportion of apprentice workers gradually increased to 1000 in early 2019, along with 1500 contract workers. There are only 3500 permanent workers including the suspended workers. So the vulnerable workforce already forms 50% of the workforce. The benefits of engaging the vulnerable workforce of apprentices and contract workers was well demonstrated in recent slowdown in automobile industry, when they were fired in large numbers without any overhead cost to the company. In TKM as well, most of the contract workers are discontinued, and out of 1000 apprentices 700-800 were discontinued.

Dynamics of Voluntary Separation Schemes (VSS) launched by the management in 2017 and 2019 also explains how the workers who are unable to bear the workload are compelled to leave the job. VSS scheme of 2017 (02 February-03 March 2017) spells its objective as follows: "In order to support permanent Team Members in Grade 8 who are not able to perform their normal job due to various reasons, the management is pleased to announce Voluntary separation scheme." As obvious, the scheme openly says that there are workers who are not able to cope with the workload and they need to go. VSS Scheme of 2019 (23 September-22nd October 2019) says the same thing but in a cover of beautiful words. It was named 'Nava Jeevana Yojane' (New Life Scheme) and the objectives were spelled as follows: "In order to support employees financially to ensure carrier change and achieve their aspiration goals/desired carrier by voluntary separation from organization." About 370 workers had to opt for VSS in 2017 and about 250 had to opt for this in 2019. Therefore, from 2017 to 2019 about 620 workers have already left the job by opting VSS. According to workers, this is a kind of daily conversation in the company: whoever is not happy with the work and conditions in the company, may take VSS and go. And this creates a possibility that in coming days/months many more may have to opt for VSS. According to workers, the management has already declared that in current situations the company has an extra workforce of 1020. Therefore, attempts towards further downsizing the permanent workforce may continue.

The compensation offered in VSS 2019 is as follows:

- Years of remaining service before retirement age (58)*3 months last drawn salary
- One month last drawn salary for every completed year of service
- Service appreciation amount of Rs 60000 for every completed year of service
- Total amount will be not more than 45 Lakh (even if actual calculation is higher)

The above amount is the extra payment offered other than the benefits provided under labour laws like gratuity, PF, leave encashment etc. The Income tax shall be deducted at source on total amount of payment.

In overall terms, the number of permanent workers decreased from 4200 in 2010 to 3500 (including the suspended workers) in 2019.

II. Impact on Health and Family Life

The most common health problem that the workers are facing is Varicose Vein.

Other common problems are Back pain, Mental Stress, Blood Pressure, Kidney problems, Lungs problem, gastric problems and diabetes.

Over exhaustion after work and continuous mental stress is also creating problems in their family life. After work when they go home, they are not in a position to even talk normally to their wife and children. In a way they become aliens in their own family. The workers reported that there are workers who recently faced divorce, although there is no clear evidence to say that the divorce happened because of above problems, but certainly these problems also played a role in it.

III. Victimization for Unionism

TKMEU has a long history of struggle and so also a long history of victimization for unionism. It is also interesting to note that the struggles on certain issues appear to be continuing in some form or the other, for example, the issue of work load, forced overtime, victimization for union activities etc.

The plant one of Toyota Kirloskar Motors (TKM) in Bidadi started production in 1999 and Toyota Kirloskar Motors Employees Union (TKMEU) was formed in 2001-02. Since then the process of collective bargaining continued with many ups and downs and many phases of workers struggles. The first two strikes happened in April 2001, the first lasted for two days and the second lasted for 10 days. During this period one active member of union was suspended. The third strike started after this action by the management in 2002, and it followed the lockout by the management which lasted for 53 days. The strikes in 2001-02 were mainly around the demands: a) management must stop interfering and coercing with organizing activities of the union members; b) reduce the gap between two shifts to only 30 minutes instead of 3-4 hours, to end the scope of 4 hours forced overtime; c) give an appreciation amount to all workers for producing more than 50,000 vehicles up to December 2001; d) fix definite workload and production targets; e) end the practice of forced overtime on working days and weekly offs, and f) a reasonable wage hike.

In 2002, two more demands got included: a) revoking the suspension of Mr Girish and dismissal of Mr Suhas D.Wagh (Manager, Weldshop), and b) permission for Mr Leelakrishnan (state general secretary of INTUC and legal advisor of TKMEU) to participate in all bilateral discussions with

management on behalf of union, which management was denying. Lastly, after 53 days of lockout the management accepted the major demands of workers including change in shift timings and ending forced overtime and significant hike in salary. (Jayaramiah and Jose 2006³⁸; The Hindu 2002³⁹)

In 2004-05, TKMEU put forward a charter of demands before management for collective bargaining agreement. The major demand of the union was wage hike. Again there was a strike as the demands were not met. During this period about 15 employees were suspended (The Hindu, 2005⁴⁰), and hence revoking the suspension also became a major demand. It was during this period the union got affiliated with CITU (Centre of Indian Trade Unions), and the management refused to attend the conciliation arranged by the labour department on two occasions as it was not ready to accept participation of any external (CITU) representative in negotiation process (Jayaramiah and Jose 2006⁴¹). Finally an agreement was reached between the management and union for 15% wage hike, but the company also warned that it may shift its production to North India if industrial climate does not improve in Karnataka (Giriprakash 2005⁴²). The suspension of 15 employees was not revoked and management insisted to conduct independent inquiry and only after that their fate can be decided.

In 2006, on the basis of outcomes of disciplinary proceedings, out of 15 suspended employees 3 were terminated and one was reinstated. The enquiry against the rest 11 suspended workers was still pending. The union opposed this action challenging the findings of disciplinary proceedings and discontent among workers against this action resulted in a strike. After two days of workers agitation management declared a lockout in the factory on January 8, 2006. Finally the management announced lifting of lockout from January 21, 2006 on-ward, however, it mandated that all workers reporting to

³⁸Jayaramiah, Jaishankar and Jose, Reema (2006). Toyotas bumpy ride, available at <https://www.financialexpress.com/archive/toyotas-bumpy-ride/151985/0/>, accessed on 18 July 2019

³⁹The Hindu (2002). Toyota Kirloskar workers go on indefinite strike, available at <https://www.thehindubusinessline.com/2002/01/17/stories/2002011702090300.htm>, accessed on 18 July 2019

⁴⁰The Hindu (2005). Taking back suspended staff Toyota, union to meet tomorrow, available at <https://www.thehindubusinessline.com/todays-paper/tp-corporate/Taking-back-suspended-staff-Toyota-union-to-meet-tomorrow/article20278502.ece>, accessed on 18 July 2019

⁴¹Jayaramiah, Jaishankar and Jose, Reema (2006). Toyotas bumpy ride, available at <https://www.financialexpress.com/archive/toyotas-bumpy-ride/151985/0/>, accessed on 18 July 2019

⁴²Giriprakash, K. (2005). Toyota, workers ink pact for 15 pc more wages Co urges Govt to improve industrial climate, available at <https://www.thehindubusinessline.com/todays-paper/tp-corporate/Toyota-workers-ink-pact-for-15-pc-more-wages-Co-urges-Govt-to-improve-industrial-climate/article20277506.ece>, accessed on 18 July 2018

duty must sign a good conduct undertaking (ICMR 2006⁴³). The union ended the strike but challenged the good conduct undertaking, and after conciliation proceedings failed on this issue it was referred to the labour court for adjudication. The strike and lockout ended but workers kept on raising their demands for reinstatement of all suspended workers, abolition of contract worker engagement system, clearly defining the period of traineeship, improvements in working conditions and wages. It is also worth mentioning that during this period the National Federation of Japanese Workers-Zenroren extended its strong and active support to the struggle to Toyota India workers.

Up to 2007, total 42 workers including union office bearers were victimized and placed under suspension. Out of these 13 were reinstated, 28 opted for VSS (as it was the only option for them for avoiding dismissal), and the case of one worker was pending in court.

There was again a phase of struggle in 2014. In 2014, there were a total of 6,400 employees workers out of which 2200 are contract workers. Almost all 4,200 regular workers were formal union members and contract workers even if not formally members support the cause of the union. According the union accounts published in media, the major issue behind the strike was the denial of any wage increment last year. Moreover, the union was also continuously raising the demand for improvements in safety standards on the ground that in last few years many workers were injured on the production line. There were almost 10 months of negotiations on the charter of demands put forward by the union. Bipartite negotiations failed and then the Labor Department of the Government of Karnataka conducted 7 tripartite meetings in order to reach a settlement. These conciliation efforts have also not resulted in any agreement. According to the accounts of the management published in media that as these conciliations were going on, certain sections of workers resorted to work stoppages, abuse and threatening of supervisors and the company was left with no other option but to declare a lockout of the premises. However, the union denied all these allegations. According to the accounts of Additional Labour Commissioner published in media, the workers were demanding a Rs. 4,000 pm (\$65.5) hike, which was not agreeable to management. Finally management declared lockout on March 16. As the lockout entered the second week, management also demanded that workers to sign a good conduct bond pledging they would not engage in any slowdowns, strikes or other job actions, but the workers refused. Later the lockout was lifted but the management was not ready to take workers in without signing good conduct bond. 10 leaders of the TKMWU began a hunger strike on April 2 against such repressive measures of the management. On April 6, state police violently attacked dozens of Toyota Kirloskar Motors (TKM) workers on hunger strike. Two of the workers, already weak from hunger strike, were severely injured and hospitalized. According to published accounts of the Shanmuga Gowda, then vice president of the Toyota Kirloskar Motors Workers' Union (TKMWU), early Sunday at around 1 am in the night nearly 40 policemen suddenly appeared and using violence forced workers on hunger strike to board in the company bus to go to hospital. They bounced, beat and kick the

⁴³ ICMR (2006). IR Problems in Toyota, available at

<http://www.icmrindia.org/casestudies/catalogue/Human%20Resource%20and%20Organization%20Behavior/HROB088.htm>, accessed on 20 July 2019

workers. Only after large number of workers ran to the spot, the police violence was ended. Management also suspended 32 workers. However, the relay hunger strike of workers continued till April 19th 2014. Lastly the state government issued an order on 19th April that the lockout was not in accordance with the provisions of the law (section 10(3) of the Industrial Disputes Act), the management's condition to sign the 'good conduct' letter before entering the plant does not arise. All issues, including wage hike and suspension were referred to the industrial tribunal for adjudication. Therefore the protest ended and the work was resumed. (CWE 2014⁴⁴)

This was a kind of victory for workers and defeat for management. However, immediately after this management started unilaterally changing the service conditions in the nature of harassment workers and union members. This is clearly reflected in the union letter dated 11 June 2014 to the management challenging these actions as illegal and unjustified and raising following issues:

- After the prohibition of lockout by the government you have unilaterally introduced the disciplinary rules intentionally against the prevailing/customary/existing practices with malafide intentions in order to harass workmen bearing grudge against them for their just and legitimate trade union activities during 16 March to 21 April 2014
- You have altered the timings of arrival of buses in each shift changing the earlier practices
- You have changed the turn stile gate harassing the employees to wait near gate as against the earlier practice
- 'Shift and process changing' of workmen (the workers can be asked to work at any work positions and in any shift), as against the past practice
- Introducing new practices for attending natural calls etc
- Refusing leave to the workmen and treating the leave period as 'un-authorized absenteeism' although the information was given by individually
- Treating as 'no work- no pay' under the guise of 'missed hour'. This is increased in large scale. You are not informing in advance with serving notices to the workmen and unilaterally deduct their wages. This apart you are not receiving and acknowledging the individual letters/complaints given by the workmen.
- Burden of workmen load is increased without any standard normal and imposing the same without consultation of union
- Withdrawing light work to the workmen who are suffering from medical infirmities.
- Adopting unfair labour practices and victimization policies against the active members of the union.

The Union is consistently raising these issues but even when wage settlements have been done, including the one in 2016 and in 2019, the management never came out for a constructive dialogue on

⁴⁴CWE (2014). Story of Recent Toyota Workers Struggle in Karnataka, available at <https://workerscentre.wordpress.com/2014/06/30/story-of-recent-toyota-workers-struggle-in-karnataka/>, accessed on 20 July 2019

these issues and hence they are not yet resolved. Rather, the conditions have worsened over the years. In the settlement between TKM and TKMEU in December 2016 an illegal agreement was done for increasing the daily working hours from 8 hours to 8.35 hours, in a return for 5 day working week in place of 6 day week. However, 5 day working week was with a condition that: a) Two days additional work during weekend holidays on quarterly basis will reflect in each year's calendar on tentative basis (considered as OT payment as per rules), and b) calendar adjustment can be done any time.....and have 6 working days if required in a week to accommodate festival holiday/holiday adjustments, and in such event the sixth working day would be treated as normal working.

On the other hand, a domestic enquiry was conducted against 32 workers who were suspended during the period of lockout in 2014. The enquiry concluded in 2017. On the basis of findings of enquiry 12 out of 32 were reinstated in December 2017 and 17 were proposed to be dismissed. Out of these 17 to be dismissed, 10 were protected workmen including general secretary and 9 executive body members of the union. Hence the management dismissed 7 workers and filed application in the Industrial Tribunal under section 33 (3) of Industrial Disputes Act seeking permission for dismissal of protected workmen. The permission was not granted till 2019, and during this whole period all these protected workmen were on the roles of company in state of suspension and paid subsistence allowance by the company according to law. It is interesting to note that on 9th October 2019 the management withdrew its application seeking permission for dismissal from Industrial Tribunal by filing a Memo dated 09.10.2019 and then dismissed all the above protected workmen without permission from Industrial Tribunal. And then management filed an application in Industrial Tribunal under section 33(2) of the Industrial Disputes Act seeking approval of their act of dismissing these protected workmen.

The union challenged the dismissal of 7 workers and also dismissal of protected workmen separately in the Industrial Tribunal and the case is still pending.

In the meantime a new union body was elected for 2019-20 and the union by its letter dated 02.04.2019 addressed to General Manager of the company sought recognition of 36 office bearers of the union as protected workmen. However, the management in its letter dated 05.04.2019 recognized only 28 office bearers of union as protected workmen, and declined to accord the status of protected workmen to 8 office bearers of union including the general secretary of the union Sharanappa Dengi and 7 other executive committee members. The union has challenged the management's decision of not according the status of protected workmen to these 8 office bearers of the union. The case is pending in labour department.

This is worth emphasizing here that the management's actions in the context of the protected workmen are not only in complete disrespect of law of the land but also in violation of company's own standing orders.

Section 33 of Industrial disputes defines the protected workman as: “a workman, who, being a member of the executive or other office bearer of a registered trade union connected with the establishment, is recognized as such in accordance with rules made in this behalf.” And that: “In every establishment, the number of workmen to be recognized as protected workmen for the purposes of sub-section (3) shall be one per cent of the total number of workmen employed therein subject to a minimum number of five protected workmen and a maximum number of one hundred protected workmen and for the aforesaid purpose, the appropriate Government may make rules providing for the distribution of such protected workmen among various trade unions, if any, connected with the establishment and the manner in which the workmen may be chosen and recognized as protected workmen.”

Section 33 of the Industrial Disputes Act 1947 mandates that: “no employer shall, during the pendency of any such proceeding in respect of an industrial dispute, take any action against any protected workman concerned in such dispute- (a) by altering, to the prejudice of such protected workman, the conditions of service applicable to him immediately before the commencement of such proceedings; or (b) by discharging or punishing, whether by dismissal or otherwise, such protected workman, save with the express permission in writing of the authority before which the proceeding is pending.”

Standing Order (section 28.18) of TKM says that: “If, on account of the action taken or proposed to be taken against the employee, it becomes necessary to obtain permission of any authority under section 33 of the Industrial Disputes Act 1947 (this is in reference to the protected workmen), the employee may be suspended from work without pay pending the grant of such approval or permission. If the employee has already been suspended from work pending enquiry, the suspension shall continue till the grant of approval or permission as aforesaid.”

However, the company dismissed the protected workmen without getting permission from the relevant authority.

It is also worth mentioning that the wages for 32 days (16 March 2014 when lockout was declared by management to 21 April 2014 when work was resumed after government declared the lockout as illegal) was also not paid to the workers.

In 2019 collective bargaining agreement between union and management was done after long negotiation but without any conflict, however, the above issues remain unresolved.

Currently union is organizing protest for once every week for 4 hours (outside the working hours) and the major demands of the union include:

1. Stop wage cuts by treating toilet breaks and duly taken leaves as unauthorized absence
2. Stop victimizing for union activities, take back all dismissed workers
3. Stop illegal practice of 8.35 hours of work and practice 8 hours of work
4. We are not Robots! Rationalize the work load on the basis of average efficiency of workers. Share the R&D exercise with workers and consult union before any change in workload
5. Allot lighter workload to workers (as before 2014) suffering with medical infirmities
6. Stop compulsory overtime
7. Pay layoff wages for no work days and not adjust it with coming weekly offs
8. Acknowledge and respond to the workers complaints



Caption: Weekly protest of TKM workers in front of the factory gate. They organize protest with pictures of Mahatma Gandhi and Bhagat Singh. In their hands they are holding their demand slogans.

B. The case of Tokai Rica Minda India Pvt Ltd (TRM)

TRM is a joint venture company of Japanese company Tokai Rica and Indian company UNO Minda established in 2008 in KIADB Industrial area, Neelamangala Taluk, Bangalore Rural. TRM manufactures automotive seat belts, locks and keys for Toyota.

I. Structure of Workforce and Downsizing

There are a total of about 600 workers out of which about 170 are female workers. Permanent workers are about 200, out of which 90 are female workers, apprentice (NEEM⁴⁵) workers are about 150-200 out of which 80 are females, contract workers are about 150. There are more than 80 probation workers and more than 20 trainees. There were 100 Female permanent workers, but 10 of them resigned either after marriage or after getting any government job.

Recently management orally informed that 30 existing contract workers and 10-15 existing female apprentice workers are made permanent, but they have not received any formal communication yet and it is not confirmed yet.

A clear cut trend of downsizing the workforce is reflected in the fact that total workforce decreased from 1000 to 600 in last few years. However during the same period number of management staff increased from 60 to 150. In recent automobile slow down about 100 contract workers were discontinued.

II. Increasing Workload, Intensification of Work and Problems of Women workers

The production in the company consistently increased over the years, however, there was no increase in workforce and actually it decreased. There were no installments of Robots as well. This reflects on increasing workload on existing workforce. According to workers, the work targets are already very high, and over and above, the line in-charge creates consistent pressure to get more production than normal targets.

Most pressing problem is shrinking of workplace space for workers. This is creating serious problems for women workers. To speed up the production process or to reduce the takt cycle time, the walk time (to pick parts) is completely eliminated and workplace space is reduced to the minimum. The work places are structured in such a way that while performing action steps in production process shoulders and hands of adjacent workers touch each other, in a way disturb each other. In the workplace women and men workers generally work adjacent to each other and therefore women workers always get touched by adjacent men workers and they feel irritated. At times when there is

⁴⁵ National Employability Enhancement Scheme of government under which a part of stipend of apprentices is reimbursed to the employers

need for more production, then more workers are added in the same space, and then it becomes really difficult to work.

This appears to be in violation of the Factories Act 1948, Section 16 (Overcrowding), which mandates that: “No room in any factory shall be overcrowded to an extent injurious to the health of the workers employed therein” and that “there shall be in every workroom of a factory in existence... at least 14.2 cubic metres of space for every worker employed therein, and for the purposes of this sub-section no account shall be taken of any space which is more than 4.2 metres above the level of the floor of the room.” Following the above, the length and width of the space for each workers needs to be not less than 2m*1.7metres.

This problem was raised by the workers with management but they got straight forwards answer- whoever is not able to work, can leave the job.

The intensification of production process has reached to the level that the workers do not have any breathing space. They actually work like robots, no space for relaxing the body even for seconds. Like Robots, standing at one place, without any movement of legs, they continuously perform the action steps by movement of shoulders and hands.

III. Disciplinary actions against workers for taking Toilet breaks

Workers can take any toilet or drinking water breaks only after getting permission from line in-charge. They call the line in-charge by ringing a bell and when line in-charge comes and gives permission then only they can go. The permission is generally granted but line in-charge always shows anger, uses vulgar and insulting language against workers, even women workers, whenever they ask permission for toilet breaks. This is why the workers try to avoid toilet breaks as much as possible, and ask for it when it becomes unavoidable. But many times even after ringing bell, the line in-charge takes lot of time to come there to grant permission, even after coming there keeps on arguing before granting permission. This creates serious problems for workers as they have to stand there when holding back has already become difficult. During the period, the life of women workers becomes a hell, when they need breaks for changing sanitary pads and when they face insulting and humiliating questions from male line in-charges.

This issue was again and again raised by workers, but management never took it seriously. However, on demand of workers management has started providing sanitary pads in the toilets for women workers. (Also see: <https://www.facebook.com/1391337431011376/videos/1441722739306178/>)

However, even after all this, the management records the toilet break time taken by workers and calculate it for whole month. Then show-cause notice is sent to workers for why they took so much

toilet break time in the month. There is no deduction of wages, but show-cause notices itself are so insulting and humiliating for particularly women workers. It becomes really humiliating and insulting especially for women workers to reply these show cause notices.

IV. Health Problems

The workers are facing following health problems emanating from conditions of work:

1. Avoiding drinking water so that they do not need toilet breaks, and avoiding going to toilets beyond normal holding capacity. This is creating health problems like, kidney stone, abdominal pain etc.
2. Congested workplace, no space for free body movement, continuously standing and working in uncomfortable positions, no free movement of legs, movement of only shoulders and hands and that also on only one side. This is creating posture related health problems. Most common problems are reported to be varicose vein.

V. Victimization for Unionism

Tokai Rika Minda Employees Union was formed on 6th January 2018 and it got affiliated with the central union CITU (Centre of Indian Trade Unions). Women workers play significant role in the union, they hold the posts of Joint Secretary and Vice President and some others are executive body members.

The Union sent letters to management intimating about the formation of trade union and requesting a meeting with office bearers of the union, however, the management simply did not respond to any of their letters.

Rather than engaging with the union, Management started unfair labour practices to end the union. The management floated an yellow union-the so called internal union and started using pressure and threat tactics to compel the workers to leave the existing union and join the newly floated yellow union. They were able to compel some probationers and trainees to join the yellow union who were made office bearers of this union. They started compelling other workers to sign on a plain paper which was supposed to be used as their letter of consent for joining the yellow union.

The union repeatedly wrote the management against this unfair labour practice but the management went ahead with its game plan. Then many workers whom the management was compelling to sign on plain paper filed individual complaints in the office of State Human Rights Commission (HRC) and Police. The union also filed application in the office of Deputy labour Commissioner (DLC), Assistant

Labour Commissioner (ALC) and Registrar of Trade Unions requesting to take action against this unfair labour practice by the management, but no action was taken.

In the mean time the union also filed a complaint of forced overtime in the office of Inspector of Factories. The union also complained against use of temporary workforce in perennial nature of jobs in permanent positions. The union also filed complaints in labour department against management personnel using filthy language against workers and threatening them for engaging in trade union activities. However, no action was taken on these complaints.

Finally, on 19th February 2018 the union sent a warning letter to the management as well as the office of DLC that if management is not stopping unfair labour practices in terms of using pressure and threat tactics to compel workers joining the yellow union, and if not recognizing the TRMEU and not coming forward for negotiations on charter of demand submitted by TRMEU then the workers will be forced to start protest action in the form of:

- a) Wearing Red strip while on work from 26/02/2018
- b) Wearing Demand badge while on work from 05.03.2018
- c) One day strike on 12.03.2018

Not getting any positive response from the management, the workers started their protest from 26th February 2018. They started wearing Red strips while on work. Only after this the DLC intervened. On 6th March 2018 a tripartite meeting was held in the office of DLC and DLC advised both parties maintain industrial peace and resolve the dispute in peaceful manner. DLC promised the workers that he will look in to the matter and see that justice is done to the workers. On this promise the union decided to withdraw the strike planned for 12th march 2018.

However, rather than initiating negotiations with union, the management started victimizing the workers. On 7th March 2018, the very next day of the meeting in DLC office, the management terminated 5 probation workers and suspended 4 permanent workers without following any legal procedures. Victimization continued and from 12 March to 23 March 8 more probation workers were terminated and 5 more permanent workers were suspended. Moreover, the management more aggressively moved to float the yellow union by using pressure and threat tactics to compel workers to leave TRMEU and join yellow union and thereby marginalize the membership of TRMEU. The union wrote complaint letters to state home minister, chief minister, state human rights commission, state women commission, various authorities in labour department and various authorities in police department, but no action was taken against the management and victimization of workers continued. Therefore, the union started hunger protest from 15th march 2018, they were working but not eating whole day.

On March 26, DLC again intervened and promised reinstatement of all workers and on this promise the workers ended the hunger protest.

After this the tripartite conciliation proceedings started in the office of DLC. However, on 4th April management denied to accept any demands of the union and therefore the conciliation failed. The harassment of workers further increased.

On 13th April 2018, the union filed an application in the office of DLC raising an industrial dispute on the issue that the management is in the process of illegally terminating probationers and trainees en-mass. The union argued that these probationers and trainees have already successfully completed their probation/training period and virtually working as permanent workers. No letter was issued to them after completion of probation/training, which inherently meant that they were absorbed as permanent workers. But now they are being targeted because of their union activities and that their termination amounts unfair labour practice. The union also requested the labour department to direct the management to issue confirmation letters to all such trainees and probationers as permanent workers. DLC office registered the complained and the letters were issued for the conciliation proceedings on this issue to be held on 5th May 2018.

Under the provisions of 33(1a) of the industrial dispute, if any issue is pending conciliation proceedings in the labour department, then no further actions can be taken by both parties without prior permission from labour department. However, during the pendency of conciliation proceedings the management terminated 4 probation workers on 30th April 2018. The management terminated the services of these workers during pendency of conciliation proceedings and without taking permission from labour department, and hence these actions stand illegal under section 33(1a) of ID Act.

Observing the management taking actions in complete disrespect of law and also the inabilities of the authorities in enforcing the law, the workers in complete helplessness and anger, spontaneously stopped the work on 30th April 2018. They remained inside the factory and declared that they will not move out until the management recognizes their union, comes for negotiations with union and stops victimization of workers. In a way, they occupied the factory.

They continued their strike and remained inside the factory facing all odds, no facility to take bath or change cloths, nothing to eat. They faced a hell but were determined to not leave the factory unless their problem was resolved.

The strike was continuing when on 4th May management declared a lockout of the factory, probably this was necessary to force workers out of factory. Management posted a Notice dated 4th May declaring suspension of production operations from 4th may, 6am, directing the workers to vacate the

factory premises. The same day at around 9.30am a big force of 200 police men and bouncers of private agencies and certain management staff beat and forcibly dragged the workers out of factory premises. Women workers alleged that they were molested by the male police and bouncers. Several workers including women workers received severe bodily injuries and one worker faced a bone fracture. Cloths of many women workers were tore down. All this showed that violence was used to break the strike. The police forcefully loaded all workers in a bus and transported them to Police station.

Getting this news more than 1000 industrial workers from the region reached the police station and surrounded it. They demanded to release the workers and do justice to them. The police had taken more than 150 male and female workers in to custody. Due to strong protest from more than 1000 workers surrounding the police station, the police released all of them same day evening. The police filed the FIR against workers on 4th May, but have not filed any charge sheet yet. The workers were released, however the situation is still not clear, the workers fear that the police in collusion with management can file charge sheet any time which may lead to further victimization of workers.

The management soon filed an application in Additional Civil Judge, JFMC, Nelamangala for granting ad-interim order for temporary injunction restraining workemen/union from any assembly/demonstration within the radius of 250 m of company premises. An interim order for restraining the workers from assembly within the radius of 150 meter was granted applicable till next hearing. However, in final order dated 04.06.2018, the court granted interim injunction for restraining the workers from assembly/demonstration within the radius of 80 meter only. The court opined that the demonstration by the employees is protected under the article 19 of the constitution, and that the demonstration should be under the purview of the management so that the management considers the demands of the workers and comes forth for negotiations.

On record the management revoked the lockout on 7th May 2018; however, actually it was revoked on 15th May 2018. The management asked the workers to sign good conduct undertaking. Initially the workers opposed, but there was no way out and hence finally they decided to give good conduct undertaking in the name of union rather than individually.

However, the victimization did not end here. On 3rd May 2018, 20 permanent workers were suspended for participation in strike with charges of machine damage, provoking the workers and threatening the management etc. On 19th May, 4 more probationer/trainee were terminated. From June 23 to June 29, 2018, 10 permanent workers were suspended and 13 probationer/trainees were terminated.

In July 2018, Chairman of State women commission, DLC and some other authorities visited the factory and requested to revoke the suspensions/terminations of workers. The management apparently

agreed to take back all workers in job, but without any continuity of service, and they will be transferred to Chennai plant. It simply means they have to accept that all actions of management was justified and on mercy the management was rehiring them fresh, and they have to lose all benefits of length of service. But the worst condition was transfer to Chennai plant which was not possible to accept for most of workers. The union did not accept these conditions.

Due to continuing victimization the workers started indefinite relay hunger protest from 27th June 2018 to 4th July in two batches. In first batch 6 workers including 3 women workers were on hunger strike and in second batch from 4th July 5 workers including 2 women workers were on hunger strike. Then Deputy Commissioner, Superintendent of Police and DLC met the workers on hunger strike and assured that they will see that their problem is resolved. Hunger strike was ended on this assurance. However, the problem was not resolved and management was not ready for any negotiations with union. Therefore the workers again started their hunger strike from 3rd October 2018, which ended again with assurance from authorities. But problem remained as such. During this period the workers complained to all authorities including Chief Minister, Labour Minister, Home Minister, State Human Rights Commission, State Women Commission and labour department officials, but no action was taken and the situation remained as such.

The management on 18th February 2019 locked out 24 active members of the union and refused to provide any work to them. Further, on 19th February management locked out the rest of 71 members of the union. It is to be kept in mind that termination of 33 workers and suspensions of 27 workers have already been done. After the lockout of the above workers, almost all unionized workers were thrown out of the factory.

On 7th June 2019, the government declared this lock out as illegal. However, then also management again demanded a good conduct undertaking before the workers are allowed inside factory. The workers having no option, this time also they decided to give undertaking in the name of union rather than individually. No wages were paid to the workers for the lock out period. The union challenged this and the case is pending in labour court.

The workers have continued their struggle in various forms. For two months, June and July 2019, all terminated and suspended workers organized protest demonstrations day and night in front of DLC office.

As on 23rd December 2019, 33 workers (probationers/trainees) stand terminated from service out of these 11 are women workers. Moreover, 27 permanent workers stand suspended out of which 4 are women workers. The domestic enquiry against suspended workers has been concluded recently and

now workers have to file their objections, after which the management may take action accordingly. The workers fear that all of them may face dismissals.

It is also worth mentioning that rather than recognizing the union, the management has recently started working on another form of unfair labour practice to end the union. The management is trying to sign individual wage agreements with individual workers. Probably management has succeeded to sign about 50 such agreements till date.

The union has filed a complaint in the office of labour secretary against continuing unfair labour practices and victimization of workers by the management. The complaint is still pending. The case of terminations and suspensions during pendency of conciliation i.e., the violation of section 33 (1a) of Industrial Disputes Act is also pending in the office of labor secretary. A case related to termination of services of probationers/trainees is also pending in District Civil Session Court.

The wages of workers are one of the lowest in the industry. The wages of permanent workers range from Rs 10500 to 15600 per month depending on length of service. The wages of probation workers, apprentices and contract workers are near about 10500 per month.

The workers have been continuing their struggle in various forms. Their demand badge highlights the following demands:

1. Promptly consider the fair demands of workers
2. Recognize labor union
3. Implement the labor laws
4. Respect workers
5. Regularize the Probationary/ Trainee workers who have completed the eligibility conditions
6. Stop the harassment of women workers



Caption: Protest March of Tokai Rica Minda Workers.



Caption: TRM workers starting hunger strike.









Caption of above 4 photos: Police and Bouncers dragging the TRM workers out and loading them in Bus to take them to police Station on 4th May 2018 to break the strike of 30April to 4 May 2018

The Union's proposed memorandum of settlement includes the demands for wage increment for permanent workers, Rs 3000 increment in wages of probationer after completion of probation period, 7 casual leaves and 15 privilege leaves per year, medical insurance policy for those outside the coverage of Employees Insurance scheme (ESI), and group accident insurance policy etc.

C. The Case of Toyotetsu India Auto parts Pvt Ltd (TTIA)

TTIA manufacturing facility is located adjacent to TKM plant in Bidadi, Bangalore. TTIA manufactures various parts and accessories for motor vehicles and their engines, e.g., brakes, gear boxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, steering wheels, steering columns and steering boxes etc. The company mainly supplies the chassis parts to the Toyota.

TTIA engages 196 permanent workers, about 900 contract workers and about 100 Apprentice workers. There has been consistent downsizing of permanent workers. The number of permanent workers decreased from 278 in 2007 to 196 in 2019. From 2006 there is almost no recruitment of permanent workers. The number of contract workers increased. However, now there is more focus on increasing number of apprentice workers and consistent with this recently 100 contract workers were converted in to apprentice workers. This is also interesting to note that the number of Robots also increased recently. In 2010 there were only 4 Robots but now there are total 19 Robots. Generally a Robot replaces 3-4 workers.

Victimization for Unionism

TTIA employees union has been recognized by the management and there are periodic wage settlements. However, in 2011 there was a conflict between union and the management. This was the time when negotiations for the next wage settlement were going on and the management was not ready to accept the demands of the union. However, the issue that emerged in the conflict was not linked with this process.

There had been a problem of oil leakage in C-5 Stamping and Pressing Machine for more than a week in early March 2011 and despite complaints from the workers and the union the leakage was not corrected. Finally on 19th March it resulted in an accident, when at around 9.40pm in second shift the worker Kusumadhar who was working on this machine slipped in the oil and fell down. He received serious injuries in his backbone.

According to workers and union office bearers, at the time of accident when Kusumadhar was in pains and workers were trying to take him to hospital, the response management personals was that nothing has happened to him and that he is doing drama. It was because of this the conflict started, there were heated verbal arguments between workers and the management which resulted in physical clashes also.

This is beyond doubt that there was oil leakage problem in C-5 machine, and union complained about this to management and when management did not do anything then union also complained to Inspector of Factories on 14 March 2011 (5 days before the accident took place). The union again wrote to Inspector of factories on 22 March informing about the accident. Inspector of factories then on 23 March wrote a letter to the company referring the complaint letter of the union dated 14 March and 22nd March 2011. Moreover, the treatment records of BGS Global hospital for worker Kusumadhar also shows that he received injuries in back bone due to fall after which he was admitted by workers in the hospital.

According to the union, Kusumadhar was first hospitalized in BGS Global hospital by fellow workmen due to sheer negligence of the staff of the management and later being discharged on 23.03.2011, he was advised rest for 30 days from the date of discharge. That due to acute back pain he had further taken treatment in Sulya in Dakshina Kannada district from 25.04.2011 to 22.05.2011. He reported to duty on 24.05.2011. But the management did not allow resuming his duty. He was asked to appear before the company medical officer Dr KA Srinavasa Prasad of Malya Multi speciality hospital, Jayangar. Thereafter he was allotted the regular work on 31.05.2011.

However, Management consistently maintained its position that no accident happened and that it was stage managed by the workers Kusumadhar, who was executive body member of the union, and that this was to pressurize the management to accept the wage increment demanded in union's charter of demand for wage settlement and which management found unusually very high. Management also challenged the validity of the hospital report mentioning the injuries and treatments to the worker.

After the incident on the night of 19th March, the workers went to the police station and filed their complaint for registering the FIR (First Information Report). Their complaint was filed as Complaint copy number 173, dated 19.03.2011, at 11.15pm. The management also filed a police complaint on next day evening and their complaint was filed as complaint copy number 174, dated 20.03.2011 at 6pm. It was logical and justified to register the FIR of the workers as they were first complainant and file the management's complaint as B-report. But police registered the FIR of management against workers and made the worker's complaint as B-report. According to workers this is how the case of workers was systematically weakened.

On the Other hand, on 24 workmen were suspended on 26.03.2011 on the ground of alleged misconduct claimed to have occurred on 19.03.2011. Later the show cause notice and charge sheet was also sent to workers Kusumadhar on April 18, 2011 and he was also suspended. Management initiated a domestic inquiry against all suspended workers.

The union sent a letter to the management dated 07.09.2011, seeking Postponement of departmental proceedings in response to the management letter dated 29.08.2011 for initiating domestic enquiry against suspended workers, on the ground that the criminal case is pending on the same matters/incidents which is the subject matter of domestic enquiry as well. The charge leveled by the management are grave in nature and relied on the documents pertaining to the same incident on which criminal proceedings are pending trial in CC No 114/2011. This is established law that if departmental proceedings and criminal proceedings are based on identical and similar set of facts and the charges are alleged to be grave in nature which involves complicated question of law, it is desirable that the departmental proceeding is postponed till the conclusion of criminal case.

However, the management did not stop the proceedings of domestic enquiry and hence the union filed suit before Civil Judge (Junior division), Ramnagara for staying disciplinary proceedings till conclusion of criminal case, since the charges in charge sheet dated 18 April emanated from the alleged incident on 19th March on which criminal proceedings are going on. The Civil Judge granted stay on the domestic inquiry vide order dated 13.10.2011. The management challenged this judgment before Principal Civil Judge (senior division) Ramanagara. This court modified the order vide order dated 27 Jan 2012, but maintaining the stay on domestic enquiry. Then management challenged this judgment in High court and High Court also maintained the stay by its order dated 15th July 2012. Then management challenged this judgment in Supreme court and the apex court passed its order dated 21 Jan 2014 directing that the domestic enquiry may wait for one year to let the criminal case end, however, if criminal case does not end in one year then domestic enquiry can be conducted even when criminal proceedings are still pending.

Therefore, domestic enquiry started after one year from 16.02.2015 and enquiry officer submitted its report with findings on 05.12.2016, declaring the workers guilty of charges including absence of workplace during working hours, riotous and disorderly behavior within company premises, threatening-abusing-intimidating or assaulting any superior, preaching of or inciting others to commit act of violence, shouting inflammatory, derogatory slogans etc. Thereafter the management dismissed all 25 workers in August 2017.

It is interesting to note that, during the same period, the management gave an offer to suspended workers that if they resign and accept the full and final settlement, then management may not dismiss them and criminal cases may also be withdrawn. But the workers rejected this offer. According to union, this communication from management was not on company letter head and was on plain paper without any signature, and therefore they were not able to use it as any evidence.

The workers challenged the act of dismissal in Industrial tribunal arguing that whole case of management was cooked up to victimize the workers for union activities and therefore the action of

management was illegal. They also argued that the management's case itself is full of contradictory facts. In its application to police station management mentions 30 workers involved in the incident but in its charge sheet to workers for domestic enquiry mentions only 25 workers and moreover the charge sheet was issued only after a lapse of one month after the incident. They also argued that the management does not make any mention of accident that was behind the whole incident.

The case is still pending in the industrial tribunal. But the workers stand dismissed. They were receiving 75% of wages during the period of suspension, but after dismissal they are not paid any wages.

On the other hand the criminal proceedings were still continuing on the same incident with same set of facts. On 27th February 2018, one of central trade unions-CITU (Centre of India Trade Unions) filed a memorandum in High Court of Karnataka, Bangalore administrative department seeking transfer of all criminal, civil and labour cases pertaining to the Toyota companies from Ramanagara district courts to any other district court on the ground that the annual cultural and sports meet of Judicial department of Ramanagara organized on 21st January 2018 was sponsored by Toyota including the Food, T-shirts and various events in the meet. Therefore, TTIA workers also filed an application in the court and requested the postponement of proceedings in their cases on the above grounds. However, their request was not entertained and they were not successful in getting their case transferred to any other court. Finally, the judgment was delivered on 24th January 2019, according to which they were found guilty, but not sentenced for any jail term, rather, they were convicted under PO Act, which means that they were free for all practical purposes but they will remain under observation of a probation officer for one year. This also shows that the court did not find the charges strong enough to award them prison sentence. This judgment was delivered by the Junior Sessions Court and now the workers have challenged it in Senior Sessions Court. After Junior Sessions Court's judgment the management dismissed 5 other suspended workers as well.

The union has been able to consistently work for the benefit of workers and the able to sign collective bargaining agreements with the management. In 2011 the wages of permanent workers was about 12000, but by virtue of collective bargaining their wages in 2019 range from 20000 to 40000 per month depending on the length of service. The wages of contract workers is about 12000 and Apprentices also get near about the same.

The Ongoing Struggle

After the dismissal of the 25 workers by the management in 2017, the union started a continuous sit in protest demonstration in front of the factory. The demonstration continues till date. The demands of the union include:

1. Stop victimization for unionism
2. Take back all dismissed workers
3. Withdraw criminal cases against workers



Caption: The protest camp of Toyotetsu Auto Parts workers (869th day): two victimized members of union (left) and CITU representative (right)

D. The Case of Motherson Automotive Technology and Engineering (MATE)

MATE is an Indian company and one of the largest suppliers of moulded parts- assemblies & modules to Indian automotive industry. Along with the production facility located in Bidadi, Bangalore, MATE has 8 more production facilities in India, including in Chennai, Puducheri, Noida, Manesar, Pune, Tapukhera, Sanand, and Walajabad. MATE supplies injection mouldings to Toyota.

MATE Bidadi plant has about 120 permanent workers, 150 contract workers and more than 100 apprentice workers. MATE workers have a long story of struggle and so also the victimization for unionism. Permanent workers in the MATE are probably one of the lowest paid workers in this category in whole industry. This is because even after a long struggle and facing consistent victimization the company has not recognized their union for collective bargaining yet and hence the wage revision is pending for many years. It is interesting to note that the permanent workers in MATE get the same wages as that of Apprentice workers, i.e., INR 12000 per month.

Victimization for Unionism

At the onset it must be mentioned that in India there is a gap in central labour laws in terms of absence of any provisions for compulsory recognition of trade unions by employers for collective bargaining. Trade Union Act 1926 has no provision for compulsory recognition of trade union for collective bargaining. Although it is inherent in the trade union law that the employers are bound to recognize the trade union for collective bargaining, because otherwise the trade union law itself becomes meaningless. But the central law leaves the space for the state governments to frame the rules for the process of recognition of trade unions. So far, only the state of Maharashtra, West Bengal, Kerala, Bihar and Odisha have rules for recognition of trade unions for collective bargaining. The labour law of the state of Karnataka still lacks any rules directing the employers to recognize the trade unions for collective bargaining. This gap in law provides the space for employers to deny or keep hanging the issue of recognizing the union for collective bargaining for exceptionally long periods. After the formation of Unions the workers present the charter of demand and request the employers to come forward for negotiations, then delaying tactics and repression of workers starts. Finally the case goes to the labour department, then labour courts and then High Court and Supreme Court and the collective bargaining is stalled for exceptionally long period. This is a kind of naked and brutal injustice. Only if the labour movement in the factory and the labour solidarity in industrial region are strong, then only the workers are able to compel employers to come forward for collective bargaining.

This problem is clearly reflected in the long struggle and sufferings of MATE workers. MATE Employees Unions was formed in Bidadi plant in December 2013. Union presented a charter of demand to the management. But rather than coming forward for negotiations on the charter of demand the management started victimizing the workers. Soon after 7 office bearers of union were transferred to the MATE plants in other states. They included General Secretary, Treasurer and Vice President

and 4 other executive body members of the union. This was an attempt to kill the union in infancy. However, the workers strongly opposed this victimization and entered in a long phase of multidimensional struggle, including legal battle and gathering solidarity from other automobile sector unions in the region. It is interesting to note that they did not go on strike, but continued their struggle in other various forms.

The union office bearers articulate that the real victimization started in 2014, because in the same year the union became part of an initiative to form the federation of unions in Toyota supply chain.

In the year 2014 during the Toyota lockout and Toyota workers struggle, a great initiative was taken by 10 automobile factory unions in the region to form a Federation of Trade Unions of Toyota Suppliers. MATE Employees Union was one of these 10 unions. This initiative was launched in a demonstration organized at Freedom Park in Bangalore in solidarity for Toyota Workers Struggle. This initiative boosted the morals of automobile workers in the region and horrified the employers.

After this event large scale victimization of the MATE union members started. There were two batches of suspension of union members. First the union president and two other member were suspended and then soon 8 other members were suspended.

There were no serious grounds for suspension of workers. For example, 13 more workers were suspended in 2015 only because they complained to HR manager regarding quality of food in canteen, and charges leveled on them were in the nature of creating groupism and inciting workers, and bad behavior and use of bad language against supervisor.

Up to 2016, total 34 workers were victimized. 25 workers were suspended out of which 12 were dismissed after domestic enquiry and 13 still remain in state of suspension. 9 others were transferred to the plants located in other states. The union challenged all these case of victimization.

The cases of all these suspensions, dismissals and transfers are pending in labour department and labour courts. The management has not yet recognized the union and the wage settlement is pending since 2013. The case of recognition of union is also pending in the labour court. It is also interesting to note that whenever the workers went on strike the management deducted 8 days wages from salary of workers for one day of strike. The union did not go on strike in the factory for its own cause, but it participated in various solidarity strikes, for example, Solidarity strike in support of Toyota workers struggle in 2014, all India General strikes in various years and other solidarity actions in the region. This wage cut is also challenged by the union and the issue is still pending in the labour court.

As we mentioned earlier, the wages of permanent workers remains one of the lowest and equal to the wages of Apprentice workers, i.e., INR 12000 per month. The wages of contract workers is about 10000 per month.

There has been no new recruitment in the company after 2014, even when the workforce strength decreased due to suspensions/terminations/transfers, and on the other hand, the production consistently increased. After 2014 seven new Robots were installed in the company including one in paint shop, 4 in assembly and 2 in grinding. Thus the total number of Robots now reached 29.

The Ongoing Struggle

The union has adopted a unique form of struggle from 2014. While at work in the factory they wear a black mask and big red sticker with demand charter on their chest. Despite objections from management they are continuing this protest along with now and then organizing demonstrations outside the factory.

The workers have been raising the following major demands:

1. Recognize the union, start negotiations on charter of demand and sign a wage settlement
2. Stop Victimizing the workers and take back all suspended/dismissed/transferred workers
3. No forced transfers
4. Regularize the contract workers
5. Equal pay for equal work
6. Medical benefits to the workers



Caption: In protest Motherson Automotive workers bearing black mask and demand badge while at work.

It may be worth mentioning here that currently a long strike has been going on in Tamil Nadu plant of MATE. The strike started on 26th August 2019 and still going on. Around 9th December 2019 they organized a strong protest by surrounding the factory. The major demands of these workers are also almost the same: recognize the union, sign a wage settlement and take back all workers victimized by way of suspensions and dismissals.

5. Conclusions

Currently the automobile industry in India is facing a slow down and large number of contract workers are being fired across the industry and across the automobile supply chain. Moreover, most, if not all, automobile majors have also resorted to downsize the permanent workforce by way of offering voluntary retirement schemes which are in practice forced retirements.

It appears that this downsizing is not going to be reversed even after economic recovery in automobile sector, as there is another accompanying move of Robotisation of the workplaces. Robots are being installed in large numbers in most automobile companies and in their supply chain.

However, Toyota represents an exception in terms that rather than Robotization of workplace, it is attempting to achieve the same or better gains by way of intensification of work process, in other words, by way of transforming the workers in to Robots, as the workers call it. This is reflected in the working conditions of Toyota Kirloskar Motors and Japanese supplier company Tokai Rika Minda. In both the companies workers are virtually compelled to work like machine and take toilet breaks also becomes a sin or in other words a disciplinary issue. These companies are adopting the strategy of reducing the number of permanent workers to the minimum, running the production by mainly engaging most vulnerable section of workers, with majority of apprentices who have legally no labour rights. They can be hired and fired as and when required and without any overhead costs. Moreover only those workers may be engaged who can work like robots and till the period they are able to work like robots. This strategy enables the company to get all benefits that are expected by engaging the robots, i.e., efficiency, flexibility, cost effectiveness and end unionism and collective bargaining. The workers are facing unimaginable hardships and serious health problems. Women workers in Tokai Rika Minda are really facing hell due to these conditions.

The victimization of workers for unionism has emerged a very serious common problem in TKM and its supply chain.

In complete disrespect to the laws of the land and the standing orders of the company the TKM management has been harassing the union office bearers who are declared as protected workmen under the law. In 2017, the management dismissed 17 workers for union activities in 2014 and out of these 10 were protected workmen including general secretary of the union and 9 other executive body members. Moreover, TKM management has been denying the protected workmen status to 8 out of 36 office bearers of the newly elected union body, including the newly elected general secretary and 7 other executive body members. In Toyotetsu Auto Parts, 25 workers are facing victimization for union activities, including the many union office bearers with protected workmen status under the law.

In two Toyota suppliers, Tokai Rika Minda and Motherson Automotive, the workers union is not recognized even after exceptionally long struggle. Tokai Rika Minda workers have been facing unimaginable repression and victimization continuously just for their determination to exercise the right to union and collective bargaining. Till date their union is not recognized and the management is aggressively engaged in unfair labour practices. A total of 60 workers including 15 women workers are facing victimization for union activities. In Motherson Automotive 33 workers are facing victimization for union activities. Denial of recognition of union has created unimaginable hardship to the Motherson Automotive and Tokai Rika Minda workers, their wages remain one of the lowest in the industry and far below the living wage.