

Strikes, Struggles and Class Contradictions: Some Explorations in a Neoliberal Context¹

Paper for 11th Global Labour University Conference, 'The Just Transition and Role of Labour: Our Ecological, Social and Economic Future' September 28-30 2016 Johannesburg, South Africa

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Theme 3: New Forms of Power or Leverage

The 'de-centring' of production and the ascendancy of the Global Production Networks (henceforth GPN) have thrown up new challenges before workers organizations. Various campaigns and labour movements across the world show that workers are using diverse strategies to leverage their position vis-à-vis their employers in a context of the growing significance of the GPNs. The proposed paper engages with some of the conceptual issues to understand the ways in which workers leverage their position and try to confront dominant power relations.

An obvious dimension of the new wave of workers' struggles under GPNs (as with the earlier ones), is that these are deeply grounded in labour processes and shop floor work experiences. However an important dimension of these struggles is the use of strategies that goes beyond the traditional legal trade unionist framework of workers' struggle, and makes capital vulnerable in new ways. On the other hand, labour in the neo-liberal era in a GPN context faces some serious constraints with the form of collective bargaining. The shift in work organization, new technology, increasing contractualisation and increased bargaining power of capital vis-à-vis labour due to mobility and shifting of production activity in GPN have undermined the effectiveness of trade unions which comprise only permanent workers and act on factory level. When contract workers are in majority and run the production work, and there is a growing interdependence of firms on a regional and global basis, it becomes a serious constraint.

In this fluid context, it is very important to understand various dimensions of workers' power to influence the capitalist accumulation. Eric Olin Wright (2000) distinguishes between two sources of bargaining power of workers capable of disrupting capitalist production— *structural* and *associational power*. Workers possess structural power on the basis of their location in the productive process and their capacity to disrupt it. It is thus determined by the type and importance of the commodity produced and the governance structure of the production chain. Thus in terms of structural power of workers, now in the global production networks, workers of specific important locations or workers making important parts for production chain can have more disruptive capacity which is often beyond their imaginations. Associational power is the unified expression of different forms of powers emanating from the formation of collective organization of workers and a trade union is an obvious expression of associational power. Silver (2003) further elaborates Wright by describing two kinds of structural powers—marketplace bargaining power and workplace bargaining power. Marketplace bargaining power results from tight labour markets due to relatively high level of employment and the ability of labourers to leave the job and survive on some other sources of income; whereas workplace bargaining power arises from 'the strategic location of a particular group of workers within a key industrial sector'. The interrelation of these two powers vis-à-vis the strategies of capital determines the trajectories of working class movement and its capacity to sustain its agency in the context of GPNs. Thus, it is important to identify the sources of the structural

¹ Parts of this paper are a revised version of Praveen Jha and Amit Chakraborty, 'Global Production Networks and the Labour Process' in Dev Nathan and Meenu Tiwari eds., *Labour in Global Value Chains in Asia*, Cambridge, 2016 and Praveen Jha and Amit Chakraborty 'Post Fordism, Global Production Networks and Implications for Labour', ISID Working Paper 172, November 2014.

power of workers in a specific spatial - temporal context of GPN, to mobilize it through associational power and to utilize it to shape the dynamics in favour of labour. This paper uses the case study of a Maruti factory in the Gurgaon Manesar area to explicate these points.

Global Supply Chains and their Their Impact on Labour Relations

The shift in production bases by leading transnational corporations is prompted by the policy incentives provided by national governments of emerging and developing countries and international negotiations (WTO etc) that tend to make rules which enable flexible labour markets and informality, thus keeping the wage rates low and 'competitive'. Hence the accent is to deregulate markets and argue for a trickledown effect of high growth in developing countries.

Lead companies from developed countries setup production in different countries and regions and take advantage of the wage hierarchy that exists between the developed and developing countries in order to maximise their profits. As the labour comparisons across continents shows manufacturing costs in Northern Europe are on an average USD 12 higher than that in United States, whereas in Latin America they were USD 28 lower than that of United States. China and India have some of the lowest unit labour costs in the world in 2010. This factor is important in shaping the spread of global production networks and value chains. Wage hierarchies between developed and developing countries to be discussed in terms of the existence and reproduction of the 'global labour arbitrage'.

One of the main impacts of the internationalisation of production networks is the weakening employer employee relationship. The dispersed nature of production networks makes workers invisible often where there is hardly any contact between principal employers and workers. The relationships between workers and employers are mediated by contractors and sub-contractors. As the Global Wage Report 2014/15 shows, there is a rising inequality in countries that receive investments from lead companies. This rising inequality is largely a result of the need to provide an environment of flexible labour markets and laws that attract foreign investors. The easing of labour laws and increasing contractual employment drive growing informality which is essential for the reproduction and viability of global production networks within the world economy. This informality is driven by the withdrawal of the State from its welfare functions and provisioning of social protection for segments of the working classes.

To locate the understanding of labour in the frame of GPN, we will have to shift away from the standard understandings of the GVC framework (labour as at most passive victim), or of GPN framework (labour as an actor only in the sense of collective bargaining in institutionalized forms, reified from the labour process). This is not to 'accommodate' labour in the framework of GPN. Without an understanding of the agency of labour the dynamics in GPNs cannot be properly understood "in both the abstract sense of the work required to produce surplus value, and the more institutional sense of attempts by workers to organize" (Cumbers et al, 2008, p.370). There are different challenges concerning labour in the context of accumulation of capital – to successfully incorporate labour in the production process, to exercise control over labour time, and, to valorize labour for the extraction of surplus value. In all these processes capital stands against the agency of labour. Thus it is important to emphasize that there is no *external* or causal relationship between capital accumulation and class struggle. The dynamic of capitalist accumulation is the dynamic of contradiction between capital and labour. The excessive focus of GVC-GPN literature on economic governance ignores the social relations of production and receives

occasional labour unrests that disrupt the production chains as exceptional moments in the process of accumulation of capital, and thus, at most identifying labour agency with trade unions, lacks a broader conceptualization of the labour process. The internal contradiction in the dynamics of capitalist accumulation taking place in GPNs can be theorized at different levels of abstraction – between necessary and surplus labour, in the asymmetric self-reproducing relationship between capital and workers in the sphere of production, or between concrete and abstract labour, between use value and value. For our study we will be interested in an understanding of working class vis-à-vis capital, its internal constitution in the capitalist production via the process of formal and real subsumption, its internal segmentation and unity, its specific organizational forms as trade unions and expressions of its agency in GPNs and the impact of 'reserve army of labour' on capital accumulation and workers' struggle to shape the GPNs.

As is well known, the concept of 'labour process' as an analytical category received significant attention in Karl Marx's writings, and subsequent literature in Marxist tradition. Marx explained a pure capitalist mode of production as a system of generalized commodity production and exchange in which everything is a commodity including the worker's labour power (her capacity to labour). The system is inherently anarchic driven by its own spontaneity, and the key element which drives such spontaneous system is the endless and insatiable quest for surplus value or profit.

Marx described the capitalist labour process² that is necessarily a valorization process—a surplus value generating process in which the commodity labour power is applied to other commodities (raw materials or instruments of production) to produce further commodities, the value of which is greater. Workers are organised at work by the capitalists or their representatives to ensure that maximum surplus is produced. Only living labour (variable capital) can create value in the labour process, and the rate of surplus generation, and thus the rate of profit depends on the organic composition of capital (ratio of constant capital to variable capital). Viewed historically, Marx described 'formal subsumption' of labour under capital as the process where capitalist production emerged from the earlier modes of production with a straightforward distinction between capital and wage labour. Then from simple co-operation of workers grew complex co-operation of the manufacturing division of labour. However, it was the advent of 'large-scale industry' where the labour process was revolutionized, and the 'real subsumption' of labour under capital started taking place, where instead of prolongation of the working day (to increase the appropriation of absolute surplus value), increased productivity through intensification of work, revolutionizing the production techniques (to increase the appropriation of relative surplus value) becomes the centerpiece of labour process³. We understand formal and real subsumption of labour under capital here not simply as a matter of chronology but a powerful analytical category which helps us comprehend the dynamics of present capitalist production process.

² For an elaborate discussion of Marx's ideas on labour process, see Nichols (1980)

³ "In handicrafts and manufacturing, the worker makes use of a tool, in the factory, the machine makes use of you... in manufacture, the workers are the parts of a living mechanism, in the factory we have a lifeless mechanism which is independent of the workers, who are incorporated into it as living appendages." – Karl Marx, Capital Vol. I, p 548

There is a substantial literature on labour process that has evolved after Marx, particularly in the last quarter of the 20th century. It is not our purpose here to review the entire body of the literature; we rather pick up a couple of critical arguments that help us frame a perspective to understand the labour process as the dialectic between immanent tendencies of capitalism and agency of workers. Capitalist class, seen as ‘capital personified’ and being driven by the motive of profit and accumulation, has to extract maximum possible surplus value from production. This leads to two major contentious issues between capital and labour in the sphere of production – the first one is, “How does the organization of labour serves the interest of dominant class, i.e. the capitalists?” The second one is, “How does it facilitate the overall control of the dominant class?” As is well known, a major classic in the Marxist tradition, namely, ‘Labour and Monopoly Capital’ by Harry Braverman published in 1974, sought to understand labour process by addressing these issues, and became the cornerstone of the subsequent debates around labour process. Braverman argued that a progressive degradation of work took place in the 20th century in the production process under monopoly capital, marked by the emergence of Fordist mass production or Taylorist scientific-technical revolution, in which management expropriated control from workers through deepening the division of labour, particularly the division between the conceptualization and execution of work or division between mental and manual labour. It gave a historical and structural interpretation of work organisation centered on labour process. Similarly the justly famous essay by Stephen Marglin (1974) also elaborated⁴ on these issues and tried to show how social and economic organizations shape technology and control over production, as the capitalist class aspire for ‘technological efficiency’ as well as ‘economic efficiency’⁵. Yet the labour process theory triggered by these debates at that time gave much room to the agents of capital like managers to affect change and less to value theory and the laws of motion of capitalist society. Furthermore, gradual transnationalization of production and subsequent international division of labour gave this debate a new dimension—transnational labour processes were divided between the processes of conception concentrated in advanced capitalism and processes of execution, concentrated in the labour reservoir of the developing world. Some, particularly a section of radical political economists influenced by Marxist ideas, tried to reorganize labour process theory going beyond the shop floor and in the last two decades important attempts were made to make a better connection between political economy and labour process. Labour process was attempted to be understood in terms of circuits of capital referring to the need to consider competition between capitalists as well as between capital and labour in production; or in terms of regulation theory with its concepts of regime of accumulation encompassing various institutional structures; or varieties of capitalism under comparative political economy⁶.

The point worth highlighting is that in Marxian discourse ‘pure capitalism’ is necessarily a *spontaneous* system subject to a range of immanent tendencies, which Marx visualized as the ‘laws of motion of

4 Marglin (1974), “What do bosses do?” in *The Review of Radical Political Economics*, vol.6, no.2, Summer 1974

5 Obviously both of these two categories should be understood in an interrelated dynamic, where the later can better be viewed as ‘class efficiency’

6 See Thompson (2010) for an elaborate discussion

capitalism'. However, as he also emphasized, the functioning of capitalism is embedded necessarily, *inter alia*, in the dialectics of struggle between capital and labour, different kinds of capital and the nature and role of the states. As it happens, for much of its existence, the evolution of capital on a global scale has been to a large extent driven by powerful impulses associated with these so-called 'laws of motion of capitalism'. Yet there are phases when these laws came under substantial regulation through a range of interventions. One such period was the accumulation regime on a global scale in the post WW II era. The emergence of Keynesian demand management and welfare State at that time kept the spontaneity and excesses of capitalism in check, and the so-called 'golden age of capitalism' saw a rise of both profit and real wage in the economy. But from mid-sixties when there was an increasing pressure on profit margin, capitalist class had to push the wage share down, and for that had to break the workers' increased power of collective bargaining and reorganize the production. It led to globalization of production undermining the strength of workers of erstwhile major production bases and utilizing the non-unionized low-wage labour regime in developing countries due to the existence of huge reserve army of labour to ensure much greater degree of freedom for capital (Harvey,2010; Foster,2011), and labour process was (re)structured in the production process as a dialectical interaction between capital's strategy, technology and workers' response under the new regime of accumulation in last few decades.

Indian Automobile Industry in the Era of GPN: A Study of Gurgaon-Manesar Cluster

The automobile manufacturing industry in India has a history of seven decades. Before 1948, cars were only assembled here. Hindustan Motors took off its journey in 1948. In 1953, the government of India, for industrial self-reliance through import substitution, accepted the recommendations of a Tariff Commission report on the development and protection of the automobile industry and pushed for the localization program according to an approved time schedule. It led to the exit of foreign car assemblers from the Indian market. The domestic manufacturers, namely Hindustan Motors (manufacturer of Ambassador cars), Premier Automobile and Standard Motor, got government approval for production with phased manufacturing program to localize the manufacture of components. While all of them could use technology import to manufacture a car, no further import of technology was allowed to upgrade the cars or change models. Protection was given to the industry and competition was prevented. It created a base for domestic production but the industry remained technologically backward, compared to the global situation. From the beginning of the 1980s, significant restructuring in the Indian automobile industry in collaboration with Japanese MNCs took place. In 1983, Maruti Udyog Limited (MUL), a joint venture of the Government of India and Suzuki Motor Corporation, launched the model Maruti 800 which soon captured a large share of the 4-wheeler segment of the market. To promote indigenization, it had to adopt Phased Manufacturing Program (PMP), following government policy, which required 92% localization of components within 5 years from the start of production. MUL, to reduce its vulnerability of production, tried to develop a strong base of vendor companies and encouraged its local suppliers to adopt flexible practices and advanced technology (Bhargava, 2010). Hero Honda, established in 1984 as a joint venture between Hero group and the Japanese Honda company, introduced the four-stroke engine motorcycle in 1985, and it gradually became the market leader. In 1994, the government de-licensed car production. Following on the heels of Maruti, other global players entered the scene, raising not only

India's vehicle output substantially, but also diversifying the industry with qualitatively new products. In 1997, new government policy allowed companies to localize 50% of production within 3 years and 70% of production within 7 years, further liberalizing the market. Apart from cars, they were allowed to export components and ancillaries, and it further promoted the integration of Indian automobile sector to global production networks of the industry. Import duties on components have fallen from 60 per cent in the 1980s to 10 per cent today. since 2008 the export of parts growth faster than the export of assembled cars, at the same time since 2009 we can see that the share of car part imports for local assembly – mainly from Thailand and South Korea – increases quicker than the general local parts manufacturing. This shows that assembly plants in India use more parts from abroad, while the part manufacturers in India send increasingly more parts abroad than to the local assembly plants. In last several years we can see an actual extension and re-linking of the supply-chain between North and South and within Asia, integrating Indian automobile industry more to the complex global production networks.

The establishment of assembly plants like Maruti Suzuki in Gurgaon (and later another plant in Manesar), Hero Honda in Gurgaon and Dharuhera or Honda in Manesar, and numerous first-tier, second-tier or third-tier component suppliers along with these lead firms has shaped the Gurgaon-Manesar-Dharuhera industrial region as a most significant cluster of automobile industry in India and an important location for global auto production. The changes that took place in the last few decades in the global auto industry with the ascendancy of GPN have significantly influenced and restructured this cluster too. Some changes that can be identified in assembler-supplier relations in global auto industry (following Humphrey, 2003) are –

- Now first tier suppliers assemble parts and supply them as a complete unit (dashboard, seat, rear axle assembly etc.)
- Component manufacturers have taken an increasing role in designing of components and systems. Assemblers provide overall performance specification and information about interface, and suppliers design (modular suppliers)
 - Increasing numbers of joint ventures, mergers, takeovers in emerging markets.
 - Just-in-time delivery, inventory reduction under lean production, and so proximity is increasingly important that leads to 'follow sourcing' and sophistication and integration of component industries of emerging economies.

We can see in the case of Gurgaon clusters the first-tier suppliers like Rico, Denso, Omax etc. having emerged as global suppliers of auto components besides supplying the lead firms in the region. Again, global players like Delphi or Bosch establishing their production units here symbolizes this cluster as a destination for the global auto component industry. Numerous joint ventures of local firms with global players, joint ventures of lead firms with its vendor companies, mergers or takeovers have resulted in deeper inter-firm dynamics, flexible production practices, standardization of process and products, integration and technological sophistication for the upper layer of supply chain in the cluster. For our purpose of understanding, we will study the production process of an a lead firm, namely Maruti Suzuki

(we have studied the labour process of Maruti Suzuki's Manesar plant, as later it will help us to connect to the labour unrest that took place there in 2011) and some of its vendor companies in the supply chain in the industrial cluster.

Key Elements in Production Process in Maruti Suzuki Manesar Plant and the Supply Chain⁷

The production process in this assembly plant starts from press shop, where the sheet-metal is cut or pressed generally one day in advance, which means what is pressed today will go to be assembled tomorrow. There are, in Manesar plant, six lines of power presses. They are quite automated, and press-tools of these machines change without human intervention, according to different types of parts to be pressed. The press-shop runs on three shifts. In the press-shop there are almost 40-50 permanent workers on one shift which includes, along with permanents, apprentices and trainees, and 30 more workers hired through contractor. The harder works, such as taking out pressed parts from the machines, is done by contract workers and apprentices. Still, in general the press-shop work is less hard, as most work-stations are here machine-stations, and it gives a little breathing space for the workers while the machine works. But in the weld-shop and assembly line the workers have really harder time. In weld shop in Manesar A-plant, there are 250 to 300 hand-welders, and there is full automation in B-plant. Almost 200 out of 300 workers in the A-plant are through contractor. Since 2006, here the numbers of work-stations got reduced from 16 to 8 and thereafter since June 2011 from 8 to 4, through increased degree of automation and using more robots. But so far work got re-distributed in such a way that employee numbers did not get reduced as much as there was job redesigning and work was replaced (in general one robot substitutes ten workers). In the paint shop 10-12 painting robots will be seen rubbing shoulder with the human workers. But that does not reduce workload. Each worker needs to carry 70-80 screens of car up and down the stairs and sometimes works an extra hour without pay if their job is not done properly at the end of the shift. Then, the cars arrive from the weld-shop at the sealer-line. There are about 38-40 work-stations there with two workers are at each station. Most workers at the line are either temporary or casual workers, or trainees. The plastic moulding of bumpers is done in the department itself, after that lights and other parts are attached to it, then bumper-shop workers fix the bumper to the car as the next step at the assembly line. In the bumper department out of almost 250 workers only 20-25 workers are permanent workers, most are either trainees or contract workers.

Then the car is assembled in the assembly line. The assembling process/ assembly line was captured quite well in an article in *The Hindu* and it may be worth quoting in some details: "In Manesar, Maruti produces about 180 variants of three basic models. When a car rolls in, the worker looks at a large matrix pasted on the vehicle that indicates if the car is a left or right hand drive, powered by petrol, diesel or compressed natural gas engines intended for the domestic, European or general export market. Depending on his work station the worker chooses from 32 different upholstered seats, 90 tire and wheel assemblies, and innumerable kinds of wire-harnesses, air conditioning tubes, steering wheels, dashboard trims, gearboxes, switches, locks, and door trims, in an average time of 50 seconds per car. For parts like air conditioning tubes, the worker stands between a set of parts racks. As a particular car variant rolls in, a light above the corresponding parts rack blinks with increasing urgency as the worker runs to it, grabs a part and pulls a cord to acknowledge he has chosen the right part. He then steps onto the conveyor belt, fits the part and rushes back to match the next car to the next blinking parts rack before an alarm rings. If the line halts, signboards across the shop floor light up – flashing the number of the workstation where

⁷ See Thompson (2010) for an elaborate discussion

the line has stopped and the duration of the stoppage.”⁸ This gives us the age-old picture of Charlie Chaplin in “Modern Times”! In general there are not many stoppages of the assembly line, once or twice per day, if at all, and generally not longer than one or two minutes.

There are about 200 work-stations on the long-block assembly-line, attended by one worker each. The engine block arrives and then it is washed. A single worker uses a crane, then clamps the engine block, after that operates the washing machine, and lastly takes the engine out – being forced to be habituated in multi-tusking, but hardly acquiring a ‘skill’ in real sense.

Then different data entry takes place for eight different engine models in another work-station, though the number of engine models will increase soon as more diesel engines are to be added. A worker attaches a bar-code and does the engine number punching. Thereafter he fits the crank-shafts which are also checked, then washed, and then fitted manually. This fitting is physically one of the most demanding works as the crank-shaft’s weight is 15 to 20 kg. In the context of a developing country like India, the cheap labour to a great extent determines the work organization and much less mechanization takes place in those works which are not that important for standardization or quality of products, however brutal the work may be.

The pistons, which come from multiple vendors like Amtek, Sensera, Subros, are attached then. Next is dressing-line. There are around 12 stations at the dressing-line, one worker mans each station. Here ‘attachments’ are fitted, like starter motors or compressor. These parts come from first tier suppliers like Bolio, Bosch etc. The heavier works like taking out crank-shafts of the trolley or testing it mechanically is generally done by the contract workers, whereas permanent workers do relatively lighter and supervisory kind of work like data entry or final check. The internal labour market and the segmentation of workforce take shape in such a way that capital can push maximum workload of production to least organized segment of workforce.

Workers of vendor companies such as Krishna Maruti, Belsonica, SKH Metal etc. do their work in the company premises. 600 contract workers and 40 to 45 trainees of Belsonica work on two shifts of 12-hours each, making smaller sheet metal parts. They have to work on Sundays too. They are compelled to work longer, and the overtime reaches 150 to 200 hours per month at the rate of only Rs 24/ hour. This clearly shows the strategy of capital to ‘divide’ the workforce at their convenience to extract both absolute and relative surplus values.

As the study of Gurgaon Workers News suggests, the ‘electronic flow’-management in central assembly plant reflects the efforts of capital to get in terms with the flow of value. The electronic flow is actually the different steps of production plans from supplier companies to Maruti’s shop floor, which now situates itself at a two hour distance from 30 days in the past, to send ‘information’ between consecutive assembly department and the supplier chain. This ‘information-flow regime’ is supposed to ensure that a well-managed supply-chain will bring together ‘technical productivity’ and ‘profitability’, by connecting the activities of welding-robots to the precarious hands of slum labourers.

There is seamless supply of components in both the plants throughout the day and the night. Outside factory sheds, components are stored feeding directly the sophisticated multitasked assembly lines. For the company’s 250-odd first tier component suppliers including 20 global suppliers, and hundreds of

⁸ Taken from “Gone in 50 seconds” by Aman Sethi, The Hindu, 6 November, 2011

lower tier suppliers, supply becomes a seamless activity. Maruti Suzuki keeps a strict 'no single source'-policy. Maruti receives many supplies in a single day within a gap of two hours by sending the information to its suppliers the previous night. That's a radical transformation from the earlier 30-day or later 15-day cycles Maruti continued in years ago. That's what it requires to produce 4,600 cars a day⁹.

Along with methods like electronic flow, modern technologies and materials (like plastic in place of a previously used metal fuel tank) are continuously adopted. Increased competitiveness in the late 90's led global suppliers like Delphi or GM to India. Global suppliers like Delphi arrived with a spectrum of technologies like chassis, wiring harnesses, AC components, powertrain components etc and they became Maruti's suppliers¹⁰ too. At that time, 'Materials' division of Maruti dealt with the supply side. Instead of increase of price, which was the norm at that time, Maruti asked its vendors to try to reduce cost. Initially, the company cut down the production cost by 2-3 per cent. By 2006-07 it even brought down that by 5%. Maruti connected many global suppliers in their supply network¹¹, like Faurecia supplying seat mechanism, Bosch and some Japanese vendors like Dentsu, Continental and Sumitomo Metals, all with a global footprint.

The main automobile companies, in the production network, try to outsource not only stock and some production steps, but the financial risks too. Local component suppliers down the supply chain face financial squeeze due to a price pressure from both sides, as steel and rubber prices keep rising and final assembling companies demand for lower prices. Current rise in interest rate as a part of 'anti-inflationary measures' from government makes new investments for these firms to expand capacity more costly. Final assembling companies often take "informal credit" from local vendors by paying for parts with increasing delay of as much as 180 days. The final assembling plants are bound to increase capacities and to continue running the capital-intensive plants whole day and night to keep with the market demand, while the remaining parts of the supply-chain face extreme work pressure which is passed on to the workers by prolonging the working day, running more and more overtime, forcing the shop floor workers to work harder, not to be dragged deeper into the squeeze. Below we have the glimpses of some vendor companies down the supply chain of Maruti Suzuki. These experiences show the dismal working condition, exploitation and oppression on the 'precariat'¹².

Working conditions and labour processes in in lower tiers and in some vendor companies of Maruti Suzuki

In the study of Gurgaon-Manesar cluster, we find complex web of interactions of lead firms and different tiers of suppliers. To be more precise, the polarization or power relations do not seem to exactly reflect the rigid vertical order of OEMs, 1st tier suppliers, 2nd tier suppliers and 3rd tier suppliers. A kind of complex interdependence seems to be relevant where a single firm can supply parts to OEMs or to component assemblers. A different kind of polarity seems to be growing. On the one side there are OEMs like Maruti Suzuki, Honda, Hero Honda etc and global component suppliers like Delphi, Denso, Bosch, Rico, Pricol etc. having relational linkages with the lead firms. The labour process, work organization or technology of these firms has broad similarity and they have in-house R&D. They are the main players in GPNs and benefit from increasing integration with global market. In the middle

⁹ www.gurgaonworkersnews.wordpress.com

¹⁰ www.scribd.com/doc/50282674/Maruti-Suzuki

¹¹ *ibid*

¹² A term to describe the pauperized section of working class. See Guy Standing, *"The Precariat: The New Dangerous Class"* (New York: Bloomsbury Academic, 2011).

there are large enterprises that operate as 1st or 2nd tier vendors. They benefit from domestic growth of automobile industry and are important players in regional production network. Increasing global competition creates a further polarization in this segment. At the bottom there are large numbers of tiny, small and medium enterprises that have no idea of 'lean production' or 'technological upgrading' and face immense struggle to survive. The working condition, as we have seen, is terrible. The GPN frame quite well captures this network complexity in automobile clusters with its spatial and institutional dimensions. There are increasing internal segmentation of the working class with growing contractualisation. Even in the upper layer of the production chain there are 60-80% contract workers doing the main production activity. At the bottom the idea of 'permanence' is often hazy.

Thus all the promises of lean production evaporates if any firm apart from a few global lead firms or component suppliers is taken into consideration. Even the first tier companies like Krishna Maruti or Munjal Showa reflects pathetic working conditions with very high rate of contractualisation. At the bottom of the production chain in the cluster, comprising of tiny, small and medium manufacturing enterprises runs on very low profit and hence the companies are unable to expand their capacity or upgrade the technology. In this context the main source of survival is the maximum possible extraction of absolute surplus value of the workers. Often the operation of these enterprises is located in the informal sector escaping from the legal necessities. The assemblers of the production clusters integrate the low-wage low-price regime to their supply chain by outsourcing the operations like heat treatment, machining etc. The working condition is precarious. Maruti Suzuki directly outsources its production to many of these SMEs. Descriptions of the working conditions of some the vendor companies of Maruti Suzuki, reproduced with minor changes from various issues of *Faridabad Mazdoor Samachar* and the web-magazine *Gurgaon Workers News* are given below. In the bracket the names signify the buyer lead firms.

Krishna Maruti (Maruti Suzuki)

The factory is on the premises of the Maruti Suzuki factory in IMT Manesar – at gate number 4. In the moulding division 250 workers manufacture plastic fiber parts for the inner lining of Maruti Suzuki cars. They work on two 12 hours shifts. The overtime is paid at single rate, around Rs. 20 per hour. All workers are hired through two different contractors, only the 25 – 30 people of the middle-management are permanents. Whether helper or operator, all are given the 'unskilled' grade. Those operators who work there since two or three years get Rs. 200 to 300 more per month. If someone has full attendance s/he gets 350 Rs extra, if s/he takes a single day off they cut Rs 350 from his/her wages.

Sanden Vikas (Maruti Suzuki, Tata, Mahindra, Hindustan Motors, Honda) (Plot 65, Sector 27, Faridabad)

Around 60 permanent and 400 workers hired through contractors are employed. They manufacture air conditioning systems for various automobile companies. Officially there are two shifts: from 6:30 am till 3 pm and from 3 pm till 11:30 pm. The workers hired through contractor work from 6:30 am till 7 pm and from 3 pm till 6:30 am. These workers are forced to work 8 to 12 hours on Sundays, as well. They work 200 hours overtime per month, and are paid single rate. Leaving 12 of their work-mates suspended, the rest of the permanent workers entered the factory in February 2010, after a strike. They entered with the promise of labour officers and representatives of the management that they would get their jobs back and that there won't be any sentiments of revenge. The management actually

took eight workers back on, but an internal investigation started to decide about their future. Four workers have been sacked and have remained outside the factory.

JV Auto (Plot 113, Sector 3, IMT Manesar)

On a single 12-hours shift 150 workers manufacture parts for Maruti Suzuki. The wages of the helpers and machine operators is Rs 4500-5000. The overtime payment for the helpers is less than single rate, Rs 17.50 per hour. There are only 14-15 permanent workers, the rest are all casuals. There are 20 power presses. Accidents keep on happening; people cut their hands and are sent to the ESI. If their injuries are minor, that is, if only one finger is injured, they are taken back on. If the injuries are more severe, they are kicked out.

Track Components (Plot 21, Sector 7, IMT Manesar)

Only the staffs (middle-management) are hired by the company directly, and almost 700 workers are contract workers hired through three different contractors. There are two shifts; the day-shift is of 10.30 hours the night-shift is between 11.30 and 13.30 hours. The overtime is paid less than single rate. From wages money for ESI and PF is deducted. Even after years of employment an ESI card is not given – the management issued a blank card once, but no more initiative after that. The statutory bonus for 2008 was paid in March 2010, and for people who have worked the whole year the bonus was only between Rs 1,000 and Rs 3,500. After the management increased the work load of the newly hired workers in the welding department, they asked the old workers to increase the speed of the work. In the factory there are 42 power-presses. In order to increase production, the safety devices have been removed. With the safety guard in place you were able to churn out 2,000 pieces, after having removed it even 4,000 pieces. In order to keep production running the machines are not even switched off for the allotted time for maintenance. Due to the lack of safety, the lack of maintenance and the work pressure a lot of cases happen where hands get cut.

Kalpana Forging (JCB, Maruti Suzuki, Mahindra, Hero Honda) (Plot 35, Sector 6, Faridabad)

The factory runs every day, 24 hours. 400 workers manufacture parts on two 12-hours shifts. The operators work 150 to 225 hours overtime, and are paid at single rate. There are 200 helpers, for 30 days of 12-hours shifts they get 5,500 Rs. Only 100 to 125 workers get ESI or PF. On an average, one hand gets cut at the power presses every month. They don't fill in the accident report. The management sends the injured workers to private treatment and then sacks them. There is no ambulance. There is no canteen. Company gives the workers one tea and one biscuit for a 12-hour shift, if it makes them work longer than 12 hours it gives Rs 25 for food. The drinking water is bad. Managers swear a lot at the workers.

➤ **Rajhan Industries** (Honda, Maruti Suzuki, Orient) (NH-2, opposite Grain Warehouse)

In the two plants opposite to the Grain Warehouse more than 400 workers are employed. In the machine shop two 12-hours shifts rotate. In the other departments there is only one 12-hours shift. There are more than 300 workers hired through contractors. The male and female helpers get Rs 3,200, the press operators get Rs 3,500. Overtime is paid at single rate. About Rs 400 to Rs 500 is cut from wages for ESI and PF. If any worker leaves before six months of employment the company won't fill up his/her PF document. There are a lot of accidents at the power presses.

Logwell (116 Udyog Vihar Phase 1)

48 workers work in this factory since fourteen years. In August 2009 all of a sudden the company changed permanent contracts into temporary work contracts – through a contractor. On the top of that 26 workers were sacked. They did not even give the gratuity payment. Now the remaining 22 workers have to do the work of 48 workers. They manufacture parts for Maruti Suzuki. In total there are 400 workers hired through contractor in this factory. The Rs 74 of Dearness Allowance was not paid since July 2009. They work on two 12 hours shifts. Over-time is paid at the single rate instead of the double rate.

Neolite (396 Udyog Vihar Phase 3)

The workers work from 9 am till 9 pm, manufacturing light-systems for Maruti Suzuki, Eicher and Tata vehicles. They used to be paid Rs 16 per hour, since July 2009 it was reduced to Rs 15.40. Over-time is also paid at this rate. They have to work on Sundays too. If a worker takes a day off, management kicks him out. When company hires workers, they have to work a day without being paid. On one line 40 workers are employed, but there is only one fan. (Source: *Faridabad Mazdoor Samachar, Gurgaon Workers News*)

Combined and uneven development

Coexistence of ‘primitive’ and ‘modern’: “unity of opposites” embedded in “combined and uneven development”

Even in the most sophisticated segment of production networks, there are ample evidences of dismal work conditions, exploiting the cheap labour and job insecurity due to the existence of huge reserve army of labour. For example, the paint shop at the Maruti Suzuki Manesar plant reflects curious combination of sophisticated robotic technology and physical labour of brutal nature. As we have seen, on one side 10-12 painting robots are employed, but simultaneously on the other side, workers are to carry 25-30 kilo head loads of screens already used and to go up two flights of stairs, then to return with a 25-30 kilo head load of clean screens, and also to work an extra hour with no pay if by the end of the shift the job is not completed. This unevenness in the heart of the “modern” exists as apart from the mechanisation of a segment of production that is required to maintain the quality or standardization of products, firms operating in low-wage regime find it cost-effective to maximize the use of cheap labour in other segments of production.

Due to the same cheap labour and huge reserve army, the lower segment of the supply chain, apart from the lead firms and the global auto component manufacturers in the first-tier, becomes the main source to produce more and more absolute surplus value with prolonged working hours, burden of overtime at a dismal wage rate and often precarious working condition to contribute to the value added in the production network. They absorb the main burden of cost cutting and pressure due to profit squeeze, from the upper segment constituting the lead firms and the component assemblers in the first-tier. This results in structural unevenness along the supply chain.

As the Gurgaon-Manesar automobile cluster developed over time, it developed strong backward linkages extending to informal slum production which has led to regional unevenness. The earlier industrial areas or workers’ *jhuggis* which emerged as the centre of industrial activities in the 1970s or 80s in Faridabad or Ghaziabad but later got overshadowed and eroded with the shifting of centre of industrial activity to Gurgaon or NOIDA, got gradually co-opted in the extended labour process of

automobile production centered in Gurgaon cluster¹³. This provides a low wage labour-intensive regime with minimal bargaining power of workers for the outsourcing of hazardous or labour-intensive work from the Gurgaon cluster. Thus, the global destination of automobile production under Global Production Network (GPN) feeds on the backwardness of its periphery. Labour process of old and eroded industrial base is formally subsumed under the new capital.

Transfer of crisis

With the extension of production networks with deep backward linkages, it has been smoother for lead firms and global component manufacturers to siphon the profit and transfer its crisis into other segments of the production network with less bargaining power. Crisis can be internal or external to the production process for a firm. Internal crisis may arise due to strikes or increasing bargaining power of shop-floor workers leading to a profit squeeze or an erosion of hegemony or control of management over workers. External crisis may generate due to sudden change in demand in domestic or global market leading to shortage of capacity or overcapacity, or due to a rise in oil prices or adverse change in interest rate, leading to a fall of profit margin.

For example, the Indian car industry faced the global slowdown from October 2008 to March-April 2009. Firms sacked temporary workers and reduced their capacities accordingly. But only then they faced a sudden rise of demand. Most of the lead firms and component assemblers had their production capacities and supply-networks over-stretched. The mechanism of ensuring profit margin and transfer of these crises exploits the combined and uneven development embedded in the production network. It may take various forms. Within the plants larger intensification of work takes place. In early-2010, recovering from the slump in car sales in previous two years, Maruti Suzuki faced a sudden rise in demand, a 30% jump year-on-year in car bookings. The situation became worse as the company had not invested in production capacity during the slump. The extended wait period for models meant Maruti's rival companies would start capturing market share. The compulsion to rapidly increase production resulted in more regular maintenance of machineries, reprogramming robots for better control of the assembly line, and increase in its speed to squeeze out last drop of productivity and efficiency, and implementation of a 'flexi-line' besides the main assembly to produce multiple models. Production rose and it saved Maruti Suzuki the cost of opening a new assembly line – almost Rs 1,700 crore.¹⁴ Its Manesar plant, which had an installed capacity of producing 250,000 cars a year, at that time started making 350,000 cars. To contain workers' resistance and to ensure their participation, workers' incentives were linked to production. But as a result of all of these, life on the shop floor had taken become miserable. While production at the Gurgaon plant increased by 17%, Manesar was forced much harder, with a 40% rise.¹⁵ This rise in production had its effect along the supply chain where the workers faced the ultimate burden of it. We will argue that this transfer of crisis on the workers and subsequent intensification and coercion in labour process made the ground for Maruti strike in Manesar plant from June, 2011, and wave of labour unrest elsewhere in the cluster.

Also, the increasing contractualisation of workforce and shifting the main burden of production on the contract workers or trainees, who have very low bargaining power due to job insecurity and lack of organisation or right to unionize, helps firms to weaken the bargaining power of the permanent workers and to co-opt them with more and more supervisory nature of works, resulting in deeper segmentation

13 Faridabad Mazdoor Samachar, various issues

14 Economic Times, 7 October, 2011

15 Economic Times, 7 October, 2011

within the workforce. Contract workers, compared to permanent workers, have to face larger work intensity with the increase in demand in the market or have to face layoffs when there is an under utilization of capacity.

In time of crisis, to maintain a markup of profit, the lead firms often pressurize the vendor companies down the value chain to go for a cost-cutting mechanism and thus attempt to shift the burden of crisis. After the strike in Manesar plant and a fall of profit, also affected by foreign exchange fluctuations, higher interest rates and higher input costs, Maruti Suzuki attempts at bringing down its buying costs by 3% every year to increase profit margins. They expect to have cost benefits from input price cuts to be around Rs 800 crore in the year 2012, more than Rs 653 crore fall in net profit the company experienced in the strike-ridden year 2011-12.¹⁶ It is simultaneously consolidating its vendor base to increase supply from a more stable and smaller base of first tier suppliers to bring down logistics costs. It puts pressure on the supplier companies and forces them to be 'disciplined' by reducing their cost of production. Also, to open a new plant and shift the major volume of production to a location where they can exploit lower bargaining power of workers, and can weaken the resistance of labour confined to the earlier location of unrest. During the Maruti Suzuki strike in 2011, the company management put pressure on the workers that the company would shift its production to Gujarat.

Workers' Response: The Genealogy and Anatomy of Strike Waves

This section examines the nature of workers' assertion vis-à-vis the changes taking place in the production process, which has time and again expressed itself in factory occupations, strikes, or other forms of labour unrest, locally or globally. Marxist understanding enables us to appreciate the active role of workers in the emerging dynamics of labour process and GPN. Complete subsumption of labour is never possible in the labour process. That is why Marx discusses labour power, not labour, as that which workers sell to capital. That explains capital as a "material condition of labour confronting the labourer as power that has acquired an independent existence... as a definite social relationship"¹⁷. An important category is 'variable capital' to understand this dynamic (Nichols, 1980). It is 'variable' as the surplus value and thus the profit is not determined in some mechanical a-social way. Rather, it is affected by the duration of work where the worker's fight against the extension of work to resist squeeze of more absolute surplus value out of the labour process becomes important. Again, for most cases in the modern industry, it is affected by the intensity of labour in labour process, where the workers fight against, say, 'speed-up' can restrict extraction of relative surplus value.

In India, the major automobile clusters under GPN has been shaken with major incidents of labour unrest in last few years, be it the strike of Hyundai workers in Tamilnadu, of General Motors workers in Gujarat or of Maruti Suzuki workers in Haryana, reflecting the morbid symptoms of a crisis accumulating under the 'boom'. Particularly in Gurgaon-Manesar cluster, the automobile industry has seen waves of strikes in recent times. After the 89 day-long strike by the Maruti workers in Gurgaon in 2000 got crushed by the management, it was the spirited struggle of Honda workers in Manesar in 2005 and their success in forming workers' union that triggered a series of moments when labour went in offense against capital. Contract workers sporadically revolted against their dismal working condition and low wage in the entire belt, including Hero Honda factory occupation in April 2006, Honda HMSI wildcat strike in September 2006, and strike at Delphi in January 2007, unrest in Hero Honda Dharuhera

16 Business Standard, 30 April, 2012

17 Marx, Theories of Surplus Value, Part II

plant in May 2008, another wildcat strike at Honda HMSI in December 2010 etc. Workers in Napino Auto (November 2009), Omax Auto (December 2009), Denso (February 2010), Sunbeam and Rico Auto (September 2009) or Maruti Suzuki, Manesar plant (in three phases from June 2011 to October 2011) went for sustained unrest or strikes demanding their right to unionize, better working condition or higher wages. The workers' upheaval in the entire belt shows some emerging new tendencies, which demand closer attention. We will try to explore these tendencies, putting a focus on the recent experience of Maruti Suzuki workers' strike in Manesar plant.

In our judgment, one important dimension of the new waves of workers' struggle in automobile industry under GPN is that these are deeply grounded in labour process, in the shop-floor work experience. Most of the cases the strikes or labour unrests do not put forward documented concrete 'economic' demands to negotiate with the management and then, if required, go for a strike with prior notice as the last resort of collective bargaining in the traditional trade union framework. Sometimes the demands are initially disarticulated as they are linked to different dimensions of working condition and aspiration for dignity and workplace democracy, and gradually take shape in course of struggle. Sometimes those are semi-articulated, and a plethora of demands get together representing a demand to form a union of workers, where the union symbolizes a united assertion of workers. In case of Maruti Suzuki, the workers went for a sudden occupation of factory on 4th June, 2011 demanding recognition of their own union. But the actual genesis of this strike can be traced back to the worsening of working condition, increased managerial and supervisory control and intensification of work to meet the post-2008 increased demand which we discussed earlier. Almost half of the wage of permanent workers was kept variable, explained as production incentive and attendance award, where one-day absence cost 25% of attendance award resulting a deduction of Rs 1200-1500, and three-day absence in a month cost entire of it. Some important points of contention were 7.5 minute tea-break, 30 minute lunch break and the speed of assembly line, all linked to the organization of work. After the partial success of first phase of strike, their sudden feeling of collective strength helped enlarge the workplace democracy, supervisors were friendlier, no one was harassed like before for a fault in assembly line, work intensity reduced. But as this situation cannot go on for long from management's perspective, the truce was soon broken, leaders were suspended and workers were asked to sign a 'good conduct bond' to enter the factory, and it led to the second phase of labour unrest. The basis of unity among the contract and permanent workers was also the shared experience of shop-floor labour process.

Another important dimension of these struggles is the use of strategies that goes beyond the traditional legal trade unionist framework of workers' struggle, and makes capital vulnerable in a new way. In Maruti Suzuki in first and third phase of struggle workers took the form of factory occupation so that it would not be possible for management to continue production by training new workforce. Workers went for go-slow in production. Workers of other factories like Suzuki Powertrain, Suzuki Casting, Suzuki Motorcycle went for sustained solidarity strike, 7 other companies like Satyam Auto, Bajaj Motor, Endurance, Hi-lex, Lumax etc went for one-day solidarity strike on 8 October 2011. All these are 'illegal' – occupation, go-slow, solidarity strike. But in a production network with strong interdependence of firms, these forms show disruptive capacity of workers against the strategy of capital.

But labour in the neo-liberal era in a GPN faces some serious constraints with the form of collective bargaining. The shift in work organization, new technology, increasing contractualisation and increased bargaining power of capital vis-à-vis labour due to mobility and shifting of production activity in GPN have undermined the effectiveness of trade unions which comprise of only permanent workers and act

on factory level. When contract workers are majority and run the production, and there is a growing interdependence of firms on a regional and global basis, this becomes a serious constraint. Another problem is that technological shift in terms of adopting advanced manufacturing technology (AMT) has rarely been considered an area of workers' struggle in the traditional trade union framework. In many cases where permanent workers get production incentive any technological shift that enhances production is considered beneficial, and its impact on labour process is overlooked. But flexibility and redeployment is crucial to the successful implementation of AMT. So redeploying workers from one job to another, one line to another or one department to another is not considered as a part of collective bargaining and thus localized resistance of workers against redeployment or intensification of work due to new technology does not get properly articulated vis-à-vis the 'lack of discipline' accusation of management. Another problem is that the staffs, supervisors, lower and middle rank of management were historically outside of labour union, even antagonistic to it, and vice versa. But the reorganization of production on one side under this old job classification divide a section whose work is very close or same as the 'workmen', and on the other side creation of internal labour market and internal segmentation of workers by management sometimes separate skilled and experienced workers with the designation 'supervisor'.

To undermine the collective assertion of labour, capital has shown different strategies. One way is to crush the workers' movement and damage the confidence of workers and then go for the necessary restructuring of work, technology and production process without any significant resistance so that the previous objectivity of workers struggle gets changed and undermined. After the 3-month long workers' strike of 2000, Maruti Suzuki management could crush the resistance and terminate the main leadership. They then introduced a VRS scheme to reduce the workforce, increased the number of contract workers to undermine the strength of permanent workers, restructured production where contract workers would run the main work, and co-opted a section of workers and formed a separate union. But often capital is forced to make a compromise with labour to avoid larger damage. Thus the struggles of Hero Honda workers in late 1980, Honda workers in 2005 or Maruti Suzuki workers in Manesar in 2011-12 could achieve their right to form union. Then capital has to accept some concession for labour. But, in gradual course, in Hero Honda, and partially in Honda, management was successful to contain the union representing the interest of only permanent workers who gain from increased productivity, whereas the main burden of production is on contract workers. If we study closely the post-strike events unfolding after the struggle in Maruti Suzuki in 2011, we see, management was forced to increase the tea-break from 7.5 minute to 15 minute, to decrease the speed of assembly line, to increase transport facility for workers, employ more workers so that now a worker gets a 'reliever' when s/he goes to the toilet. An average wage increase took place for ITI holder contract workers from 6,500 Rs to about 8,500 Rs per month. Now contract workers can take two holidays within three months - before the dispute it was only one holiday which also had to be approved by the supervisor - which hardly happened. The permanent workers can take 4 holidays within three months. But all these means capital to maintain its profit margin has to transfer the crisis elsewhere, and one option is across value chain. As part of this cost-cutting exercise, the company has initiated measures to step up localization levels and to pare the number of tier-I suppliers over the next two-three years. The measures taken together are expected to show cost benefits over the next two-three years. The company expects likely to save up to Rs 2,000 crore a year. It also decided to 'discipline' vendors by consolidating its supplier base to increase sourcing from a smaller and more stable base of tier-I vendors to bring down logistics costs. Apart from that, it restructured the plant-B that got operational during the strike in Manesar and by shifting those workers hired during the time of the lock-out to the B-plant and by introducing a different ratio between workers and machinery in the B-plant management created a new division. B-plant is more mechanized;

unlike A-plant its weld shop is fully automated. To secure the supply side, Maruti Suzuki has made a deal with FIAT to obtain 100,000 engines per year and also decided a merger with powertrain to ensure the supply of diesel engines¹⁸. Maruti adopted 40 ITI colleges in Gujrat¹⁹, to ease the supply of labour, when in need for it. By outsourcing work to companies such as Belsonica, FMI, Krishna Maruti, SKH Metal which operate on the Maruti premises, a formal division is created between workers in the same factory. More importantly, to strengthen the internal segmentation, management is trying to contain the union by assigning the permanent workers more of supervisory kind of work. But still it can be said that the union there has still now maintained strong bargaining power for the interest of the workers, including contract workers. The full significance of this interaction of capital's strategy, assertion of labour and technology is yet to be revealed.

In spite of all these constraints, labour unrest in firms under GPN is exposing an increasing vulnerability of this new regime of production. A strike at any point can result in ripple effects across the supply chain, upward or downward, with regional or even global disruptive effects. The 44 day-long Rico Auto workers' strike which saw the killing of a worker in a clash resulting in a one-day general strike in Gurgaon automobile cluster with the participation of almost one lakh workers in the belt, caused a halt in production in General Motors Plants for three days in US and Canada due to shortage of parts. Strike in Satyam Auto in 2012 in Haridwar disrupted production in Hero Honda plant in Gurgaon. Strike in Maruti Suzuki Manesar plant in 2011 stopped production of quite a few vendor companies and damaged production significantly along its supply chain. Strike in Suzuki Powertrain, which supplies engine to the assembly lines of Maruti Suzuki, brought Maruti Suzuki Gurgaon plant to halt last year. This shows that a labour unrest at any point in the GPN has potential consequence up or down the supply chain. During Maruti Suzuki workers' struggle, an embryonic form of plant-level workers' self-organization was unfolding that included workers of other plants of Suzuki and of few more companies, still, the question regarding the nature of organization and conscious strategy labour movement required in this new objectivity remains valid and open.

If we look at the important automobile clusters under GPN located in other developing countries, we will find similar kind of strike waves with many similar trends. In China, workers went for strike on May 17, 2010 at Nanhai Honda Lock's transmission factory in Foshan (south-eastern China) near Guangzhou and caused shut down all four of the Japanese car maker's factories on the mainland. This factory produces automatic and manual transmissions and parts of engines used by the four Honda assembly plants. This strike was followed by a wave of strikes in other car plants, Honda, and then Toyota. These struggles are one important dimension for the relocation of some auto production units from South-East to West China, another being the reserve army of labour with cheaper wage cost. Temporary workers at Hyundai plant in Ulsan, South Korea went for wildcat strike and occupation in November 2010. In Mexico, unrest developed at Honda plant in El Salto, Jalisco in December 2010. A transition from formal to real subsumption of labour under capital, from appropriation of absolute surplus value to relative surplus value in labour process in the new assembly points and automobile clusters under GPN is giving birth to a young, militant, skilled workforce globally. As Beverly Silver (1993) argues for workers' agency to be a key element in the global restructuring of automobile industry, "... the world automobile industry has been characterized by a half-century-long trajectory of labor militancy and capital relocation during which automobile production (in its "Fordist" incarnation)

¹⁸ Economic Times, 19 January, 2012

¹⁹ Mint, 1 July, 2012

together with a characteristic corresponding form of labor militancy, have spread across the globe. This trajectory has been propelled by three major waves of militancy among the world's autoworkers: (1) the CIO struggles of the 1930s, (2) the "resurgence of class conflict" in Western Europe in the late 1960s, and (3) the emergence of "new union movements" in Brazil, South Korea and South Africa in the 1980s. Each of these rounds of labor struggles have prompted managerial responses, including the restructuring of production and the relocation of capital. And each round of restructuring and relocation has undermined workers' bargaining power in the sites of disinvestment/restructuring at the same time that it has created and strengthened new working classes in the sites of new investment"²⁰, it is an important question that how the workers' response will influence the contemporary operation of GPN and new regime of accumulation.

Conceptualizing the struggles

One important lesson that these workers' struggles and particularly the experience of Maruti struggle in its different phases show is how 'class' is 'formed' in the process of contradictions in the sphere of production. E. P. Thompson (1963) in his classic "The making of English working Class" emphasizes on this experiential and subjective aspect of 'class formation' which is determined by the relations of production in which women and men enter often involuntarily.

In the context of Gurgaon the entire local workforce comes from a rural background. Unlike the Fordist regime and the Welfare State, due to the history of workers' movement and the profitability, capital could take the responsibility of social reproduction of labour power giving various social securities. Now in the era of globalised production, to exploit the low-wage regime, capital is not prepared to take that responsibility in developing countries in terms of providing shelter, health facilities or schools. Aliyar Gaon or other *mahallas* does not offer a decent living condition or any source of recreation. So the 'emotional depreciation' that the workers experience of the intensive 'robot-like activities' in the assembly line or paint-shops rubbing shoulder with robots in the high-tech factories, does not get compensated in the domain of reproduction too. This extremity of extraction of relative surplus value in the factories like Maruti Suzuki, Hyundai, Delphi, Denso, Honda where real subsumption of labour under capital dominates as a tendency creates objectivity of generalization of workers' struggle because of their dismal experiences in the somewhat similar labour process. As Andrew Herod (2001) comments – "Just as capital does not exist in an a-spatial world, neither does labour. The process of labour's self-reproduction must take place in particular geographical locations. Given this fact, it becomes clear that workers are likely to want to shape the economic landscape in ways that facilitate this self-reproduction." (Herod,2001,6)

Another aspect also needs to be emphasized here. When this process of self-reproduction is blocked by regime of capital accumulation in the neoliberal era in the sphere of production, and traditional trade unions which were institutionalized in the experience of Welfare State and Fordist regime cannot relate to the crisis emerging from shop floor experience of labour process and crisis of workers' self-reproduction, the workers' struggle in the arena of production may lead to occasional violent forms. This has roots in changing class-relations, and erosion of effectiveness of old institutions and progressive legal and social protections. This is a bitter form of class struggle in the heart of main assembly points of

20 "1930-present: Labour unrest and the successive geographical restructuring of the world automobile industry", www.libcom.org

GPNs in the developing world, be it Maruti Suzuki in 2011 and 2012, Hyundai in 2009 in India or Honda in 2010 in China.

There are some other important aspects that we need to highlight to conceptualize these struggles, tendencies and broadly labour in GPNs. Selwyn (2012) focuses on some points of investigations – “(i) the interactions between the material requirements of commodity production, (ii) attempts by firms to establish a labour force and structure the labour regime around these requirements, within the context of competitive accumulation, (iii) processes of class formation in (and often beyond) the geographical region of commodity production and, (iv) how workers movements and organizations attempt, sometimes successfully, to structure the socio-spatial environment in their favour.” The problem is that, because of the greater mobility of capital and due to the presence of huge reserve army of labour, regional or global production networks often can restructure themselves to weaken the bargaining strength of capital. In that sense, the workers movements and organizations may not be able to retain the changes their struggles brought in socio-spatial environment within the operation of GPNs.

In this context it is very important to understand various dimensions of workers’ power to influence the capitalist accumulation. Eric Olin Wright (2000) distinguishes between two sources of bargaining power of workers capable of disrupting capitalist production – *structural and associational power*. Workers possess structural power on the basis of their location in the productive process and their capacity to disrupt it. It is thus determined by the type and importance of the commodity produced and the governance structure of the production chain. The role of Powertrain workers, who produce engines for different Maruti Suzuki models, became crucial in the Maruti struggle because of their structural power in the production chain. Similarly the impact of Rico strike in 2009 became so impactful because of their specific location and the governance of the global auto production network. Thus in terms of structural power of workers, now in the global production networks, workers of specific important locations or workers making important parts for production chain can have more disruptive capacity which is often beyond their imaginations. Associational power is the unified expression of different forms of powers generating from the formation of collective organization of workers. The trade union is an expression of associational power. The local workers from various villages of Haryana enjoy a social collectivity which imparts a structural power of them in the struggles. Silver (2003) further elaborates Wright by describing two kinds of structural powers – marketplace bargaining power and workplace bargaining power. Marketplace bargaining power results from tight labour markets due to relatively high level of employment and the ability of labourers to leave the job and survive on some other income sources; whereas workplace bargaining power arises from ‘the strategic location of a particular group of workers within a key industrial sector’. The interrelation of these two powers vis-à-vis the strategies of capital determines the trajectories of working class movement and its capacity to sustain its agency in the dynamics of GPNs. Thus it is important to identify the sources of the structural power of workers in a specific spatial-temporal context of GPN, to mobilize it through associational power and to utilize it to shape the dynamics in favour of labour.

Concluding Remarks

The background of this study was the complex transformation of the global capitalist production regime. The focus of the study was the automobile industry, one of the most dynamic sectors of capitalist production for almost a century. The theoretical perspective was an attempted dialogue of the

framework of Global Production Networks, labour process theory and radical political economy. And, the entry point of the study was quite unfashionable – work, working conditions and the working class. By way of conclusion, we highlight some of our major observations.

First, the GPN framework seems to be useful in terms of capturing the spatial-economic and institutional dimensions of contemporary globalised automobile production and the complex interdependence of firms of different tiers, their relational or captive linkages, power relations and governance in the clusters like Gurgaon-Manesar or beyond. In Gurgaon-Manesar cluster, as we have seen, the growth of broadly three categories of firms with different degree of integration with global or regional production networks has set in a trajectory of ‘combined and uneven development’ where the tendency of concentration and centralization of capital in large enterprises simultaneously creates condition for the SMEs to be trapped in primitiveness and immiserisation on the other side.

Second, the claims of new work regime of lean and flexible production in terms of re-association of conceptualization and execution, workers’ autonomy, multi-skilling and end of Fordist-Taylorist production regime seems to be more of an ideological campaign from our experience with the workers. Modularization of parts has made it possible for large scale mass production even of the component where many elements of Fordism dominate in adapted form, and a more refined Taylorism seems to be in place. As we discussed earlier, the general tendency is of deskilling for the majority of the workers even in the arena of modernized production.

Third, due to the wide range of possible combinations of cheap labour and modernized technology in the labour process, strong internal segmentation of working class and contractualisation and informalisation of work is evident and has been set in process. It has weakened the traditional forms of trade unions based on associational power of relatively homogenized permanent workforce. But due to the increasing tendency of de-skilled, homogenized working condition in the shop floor, a new objectivity of unity between permanent and contract workers, grounded in the labour process to increase their associational power seems to develop in embryonic form, as for example, in Maruti Manesar Plant’s workers struggle.

Fourth, from our study, with an increasing deepening of real subsumption of labour particularly in the OEMs and 1st tier suppliers, it is clear that a new working class is in formation which has a structural power in the context of regional and global production networks and it aspires to develop an associational power primarily at the plant level in the form of workers union. It does not seem to be a local or regional phenomenon, rather in Indian context (or may be beyond) in the major automobile clusters in the location of new investments there seems to be a general tendency, which in recent past has reflected itself in the form of symptomatic labour unrest. This new tendency is deeply grounded in the shop floor experience of continuously transforming labour process under global production networks and due to the increased structural power in the context of GPN and just-in-time production, it can make capital vulnerable across the production chain, regional and global, with its disruptive power. But this does not automatically transform into associational power for them, as there is a strong countertendency in GPNs. Because of huge reserve army of labour on a global level and particularly in the context of developing countries, capital is far more mobile vis-à-vis labour, and this makes the bargaining power of labour weaker and makes workers vulnerable in both North and South. The interplay of this tendency and countertendency determines the nature of accumulation regime of capital, trajectory and operation of GPNs and agency of labour in booming automobile industry in India (or may be in other developing countries with growing automobile industry).

Fifth, the traditional institutions of Welfare State that gave some social and workplace protection of workers seem to be undermined in the contemporary globalised production regime under Neoliberal States. The legal protection has been withdrawn where even to exercise the constitutional right to form union is hardly allowed. To ensure cheap labour to attract investment, the government, regional or national, has increasingly been compelled to stand against the interest of labour. Competition among different states like Gujarat, Uttarakhand, Haryana, and Tamil Nadu has increased the bargaining power of capital. And importantly the traditional trade unions seem to be unable to cope with the changing context and to represent the new tendency of struggle as we discussed. So there is dominance of capital with less effective institutional mediation between capital and labour. The result is stagnant or falling real wages, intensification of work and worsening of working condition and no social security or support for reproductive sphere. The result is conflicts of escalated magnitudes – factory occupations, violent clashes, or in extreme cases even murder of the managerial cadres.

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