

The Shining Automobile Sector and Its Dark Underbelly

NISHA SRIVASTAVA

Industrial accidents have received little attention from either researchers or policymakers despite their adverse impact on workers' lives. Hundreds of workers lose their fingers and hands every year because of the negligence of their employers. The accidents in the automobile components sector are examined in this article, particularly affecting women workers and the need for remedial action by all stakeholders is highlighted.

Urmila Devi was very self-consciously covering her right hand with her shawl. It was obvious why she was doing so. Two of her fingers were missing. They had been crushed.

The compound of the panchayat office in Gurugram, Haryana was the site of a unique workers' conference held on 26 November 2023. Over a thousand workers had assembled. They were workers from the supply chain of automobile sector giants like Maruti, Hero, Honda, Tata, Ashok Leyland, and others. Most of the workers had one or more fingers or hands missing; maimed not only by machines but by the managements' criminal negligence of the safety of workers.

While the automobile sector, sometimes called the "industry of industries" because of its size and importance, shines in India, it hides a dark underbelly. The contribution of this sector to the national gross domestic product (GDP) is about 7.1% and over 19 million workers are employed in the automobile sector directly or indirectly. Ironically, their jobs often leave them jobless. Thousands of factory workers lose their hands or fingers, every year, in crush injuries in automobile-component manufacturing, mainly as a result of the poor safety culture and high productivity pressure. Most of them, working in smaller factories that are ancillaries for large automobile brands, get little support from managements. Their only recourse to social security is provided by the Employees State Insurance Corporation (ESIC), but bureaucratic procedures mean that few workers are able to access appropriate healthcare or compensation. Crushed both in body and spirit, they are driven to a life of despair and deprivation.

The conference to highlight the plight of workers in the automobile components sector was organised by the Safe-in-India

Foundation (SIIF). The latter has an interesting origin. A damning title, "Your Car Has Been Built on an Assembly Line of Broken Fingers" of a media article in 2014, and the report that 20 cases of lost hands/fingers of workers were reported almost every day in just one ESIC hospital in Gurugram, caught the attention of the present chief executive officer of SIIF and some of his batchmates from the Indian Institute of Management Ahmedabad. He quit his corporate job, determined that something needed to be done. The SIIF was set up as a Section 8 company in 2016.

The organisation has three broad objectives: (i) provide free assistance to injured workers in their social security claims from ESIC; (ii) use this experience to influence ESIC to improve their services to all workers; and (iii) influence the automobile sector to prevent these accidents in their supply chain. Since starting a worker support centre in December 2016, as of March 2023, SIIF has supported more than 6,000 injured workers and helped them receive more than ₹50 crore compensation from ESIC.

Accidents in the Automobile Sector

The highlight of the Gurugram conference was the release of the report titled "Crushed 2023," which is the fifth annual report on worker safety in the Indian automobile sector prepared by the SIIF (2023) foundation. The report analyses the injury data of more than 5,000 workers in the supply chain of 20+ automobile brands from Haryana, Maharashtra, Uttarakhand, Rajasthan, Tamil Nadu, and Karnataka. It compares data from its own ground surveys to official data and shows, unsurprisingly, that officially reported numbers of accidents are grossly underestimated. This is not surprising because firms do not want to expose their culpability. About 60%–70% of injured workers reported loss of body parts, and 70% of all injuries occurred while handling the power press. The shocking fact is that most of these injuries are preventable and would not have occurred if only the managements had paid attention to the maintenance of the

Nisha Srivastava (nisha2000@gmail.com) is with the Institute for Human Development, New Delhi.

machines and observed safety measures, which cost a pittance to employers.

Who are the injured workers and how do they cope with their loss of limbs? The majority are migrants: men and women who pay the penalty of being poor, less educated, and resourceless. Their only hope for support is from the ESIC, which is supposed to provide workers access to health services and compensation in case of sickness, injuries, unemployment, childbirth, and death. It is funded by contributions of both workers and employers. Employees should get the ESIC “e-Pehchan” card on the day of joining their workplace, but most do not. The majority of injured workers get “post-accident ESIC registration” cards only after an accident. This is a triple whammy for workers—they are denied ESIC services as well as compensatory benefits after the accident. Added to this is the trauma of the accident.

Low Wages, Long Working Workers, and Fatigue

Many automobile component workers are paid less than the legal minimum wage. In a limited sample study, SIU found that among the injured workers, 26% of workers in Gurugram, 36% of workers in Faridabad, and 17% of workers in Pune were paid less than the minimum wages of a skilled worker. SIU believes the actual situation is worse than what this limited study indicates. In many cases, workers are not given salary slips. This leads to difficulties in obtaining disability pensions from ESIC. It was also observed that the lower the wages of an injured worker, the worse the injury. This correlation is hardly surprising as lower wages compel workers to work longer hours. Fatigue added to faulty safety mechanisms is a recipe for disaster.

Power press machines are meant to be handled by trained machine operators while helpers are hired for unskilled jobs. Correspondingly, the former are paid higher wages. According to the SIU report and the author’s interviews with workers, a large number of injuries on machines happen to helpers. Such a large proportion of injured helpers suggests that such unskilled workers are being asked to do a skilled job, which is illegal.

SIU reports that most injured workers worked six days a week: about 80% of them reported that they worked for more than the legal cap of 48 hours a week, 5% worked 48 hours or less a week, 26% worked 48–60 hours a week, while 69% worked more than 60 hours a week. They were also not being paid for overtime at the legal rates, in violation of the Factories Act, 1948. The proposed Occupational Safety & Health and Working Conditions (OSH&WC) Labour Code has increased the “spread-over” from 10.5 hours to 12 hours a day. However, the OSH&WC labour code retains the stipulation that the total number of hours should not exceed 48 per week. This is clearly being breached in the case of most of the injured workers surveyed with no legal action against such firms. In addition, although any work beyond eight hours per day or 48 hours per week is required to be compensated with overtime wages at double the regular rate, almost all the injured workers assisted by SIU said that they are not paid the required double rate fully.

Inadequate Safety Provisions and Women Workers

In more than half of the injuries reported by SIU, employers reported a different “reason of accident” in the accident report than what was stated by the worker to SIU. While employers claim it is “human error,” workers state that the machines are poorly maintained and it was the machines’ faults that led to the accidents.

Almost all power press machines where injuries occurred did not have a safety sensor. In many, there were no daily inspections of the machines. Proper safety equipment is not provided to most of the workers operating the power press machine. Almost half of the injured workers were aware that the machine was “mal-functioning” before they started operating it, but could not do anything about it. No one was prepared to listen. Women workers stated that they were threatened with a lay-off if they refused to operate the machine. Why do the employers not listen to their workers? The relentless pursuit of profits and production makes them indifferent to worker safety.

SIU’s flagship report on worker safety in the Indian automobile sector has a

special focus on injured women workers. While there are no official figures on the number of women working in the industry, it is estimated that women constitute a significant and increasing proportion of the automobile supply chain workforce. The conference opened with the reading of an open letter written by four women workers to the original equipment manufacturers (OEMs). Simply, but starkly, they highlighted the plight of all workers, especially women workers. Two women workers who had lost their fingers spoke poignantly about their trauma, the absence of safety measures, the employers shrugging off all responsibility for the accident, their vain efforts to get medical and other assistance, the dark future before them, and finally, the help they received from the SIU.

The organisers and several women workers who attended the event revealed not only the enormity of the problem, but also its multiple dimensions.

Women are generally hired as “helpers” as the wages of helpers are low but made to work as “operators” without the benefit of an operator’s higher wages. They are told to operate the power presses, even though they are rarely given any training in operating the machines. If they so much as tell the supervisor that they need training to operate the machine, they are told they can leave. Add to this the fact that the machines are not fitted with simple safety equipment and sensors, and you have a situation where accidents are waiting to happen.

Working hours are long, often stretching to 60 hours a week. Women stated that they are reprimanded even when they take a break to go to the washroom. The pressure to produce more and more in less and less time is so all-consuming that safety precautions are seen as irritating impediments. One woman told us that after losing two fingers, she could not find another job. No one was willing to hire a disabled woman. Desperation and hopelessness drove her to go back to the same firm and work on the same machines where her fingers had been cut. Even here, they refused to hire her again.

Women are generally paid lower wages compared to men, even though they claim that they do the same work and

are equally productive. Women stated that they are made to work overtime but are never paid the full overtime wages. Working in a factory in Faridabad, Urmila Devi told us that she is paid only ₹7,000 a month, though men are paid ₹8,000 for the same work.

In addition to the discrimination and arduous work at the workplace, women face the double burden of housework too. Some women told us that their husbands had left them after they lost their fingers to the machines. They were left all alone, sometimes with little children, to deal with trauma, joblessness, poverty, and hopelessness.

What Is to be Done?

The SII with its close interaction with injured workers is eminently qualified to answer this question. The report makes suggestions that are doable and cost-effective and are addressed to various stakeholders, including the OEMs, their boards, the union and state governments, ESIC, and the relevant ministries. Some of the many recommendations are flagged here. The unstated message is that the responsibility for worker safety must start at the topmost levels. It recommends the

creation of a joint industry-level task force with the apex industry bodies, the Society of Indian Automobile Manufacturers/Automotive Component Manufacturers Association of India. They should press for making the business responsibility and sustainability report mandatory for all automobile brands. Moreover, OEM boards should take responsibility for worker safety in the deeper supply chain. The SII also recommends compliance with and reporting on Sustainable Development Goal 8, which deals with protecting labour rights and promoting safe working environments for all, including migrant workers, women workers, and those in precarious employment. It requires reporting on the frequency of fatal and non-fatal occupational injuries by sex and migrant status.

Perhaps the most significant is the suggestion to set up mechanisms to ensure that workers' voices are heard and their feedback is taken seriously in the entire supply chain. A very practical suggestion is to set up a confidential helpline for workers to report unsafe conditions and accidents in factories. The report avers that ESIC, with its rich data on worker accidents, injuries, and deaths,

has a special role in improving worker safety. The recommendations, if implemented, would greatly enhance worker productivity as well as generate huge savings for the ESIC as well as employers. The underlying message is that worker safety makes for good business.

What about consumers? The SII sees a pivotal role for automobile buyers in promoting industrial safety. Many products today have disclaimers stating, for example, that the product has not been tested on animals or that child labour was not used in the production process. Socially conscious consumers have compelled various industries to adopt norms that are sensitive to the environment and people. Why cannot automobile consumers do the same? Consumers, when buying a vehicle, should ask if any workers lost their fingers while making it. A starting point for a public campaign could be the tag line, "No Worker Was Maimed in the Making of My Car."

REFERENCE

SII (2023): "Crushed 2023," 5th Annual Report on Worker Safety in the Indian Auto Sector, with Special Focus on Women Workers, Gurugram: Safe in India Foundation, https://www.safeinindia.org/_files/ugd/5d022b_250d750e085e4a089bc88271b4b143a9.pdf.

EPW Open Access

Under EPW Open Access, authors will have the opportunity to make their published article available at no cost to readers on the EPW website by paying an Open Access Subscription Fee (OASF).

Open Access articles will be published under a Creative Commons **CC BY 4.0** licence.

Why Open Access?

Publishing Open Access

- broadens the reach of your article
- increases the possibility of citations
- may be required by funding organisations
- benefits the public

Requesting Open Access

Authors should send in a request to make their article available under Open Access only after their article has been published in the journal.

Articles that are already in the archive can also be made available under Open Access.

Open Access Subscription Fee

The OASF is INR 2.25 lakh (+ GST @18% extra) for authors affiliated to universities/institutions within India, and USD 3,000 for authors with affiliation to universities/institutions outside India.

Interested authors should write to us mentioning the Author name(s), Title, Volume number, Issue Number and Date of publication at openaccess@epw.in