

Kolb model



**ASSIGN
BUSTER**

Tata Motors' Singur Case (Nano Controversy) Introduction I have taken the case on Tata Motors Ltd. The case was all about on the Tata Nano Singur Controversy.

This controversy refers to the Tata's Nano Factory at Singur in Hooghly district in West Bengal, India. Since Tata Motors Started constructing the factory over there in Singur, the small place comes into the media worldwide. Tata Motors started this factory to manufacture 25000 cars firstly. The plans of Tata Motors were that Nano will come out from the factory by 2008 for rolling out the roads. Tata Motors Ltd. s the largest Indian automobile company having the revenues of USD 20 billion in 2009-10. Tata Motors is the leader in the manufacturing of commercial vehicles.

It is among the top three in the passenger car and also in mid car segment. The organization stands at number four in truck manufacturing worldwide and stands at number two in bus manufacturing. The total workforce of Tata Motors worldwide is near about 24000 employees. Tata Motors established in 1945, Tata Motors is present across the India and even world wide as they have acquired the two brands of Ford Motors. The total quantity of the vehicles which rolling out on Indian roads by Tata Motors are near about 6 million. The company has its manufacturing units all across the India i. e.

Jamshedpur, Pune, Lucknow, Pantnagar and Karnataka. In 2005, Tata Motors set the alliance with Fiat Motors at Ranjangaon, Maharashtra to produce bith Fiat and Tata cars. The company is also establishing the new manufacturing unit at Sanand(Gujrat). The company has a good dealership network in India. Abstract The controversy of Tata Motors was due to Land Acquisition at

Singur for its Nano Project 4 years back. The Tata Motors have the dream to run a Rs. lakh car on Indian roads.

In 2006, the CM of West Bengal Mr. Bhuddadeb Bhattacharjee's vision was to make the West Bengal an industrialized state so that it can compare to other states in India in industrialization. As the land in Singur was not so fruitful, so the government had decided to give it to Tata Motors for the Nano Project, so that the state will get benefit out of it. But the opposition had the continuously eye on this issue, they do not want that the poor farmers' land will be taken from them under the government pressure. The political factors come into the picture against this project at Singur. The opposition was playing with the emotions of the farmers. The opposition put the arguments that the land is scarce resource in the West Bengal.

The opposition does not want that the project will start here and it will end up at its scheduled time. The opposition got successful in its operations for the Tata Motors and finally Supreme Court asked the Ratan Tata to chuck out their plant from the Singur. The main person behind all this was Ms. Mamta Benerjee, she was adding fuel to the fire always at the time of issue. So, at the end Tata Motors have stopped its operations and went ahead to the place in Gujrat. Comparative Analysis The comparative analysis can be defined in terms of issues of the case and their depth analysis from the point of view of stakeholders. It can be explain in terms of some external forces which play important role in this issue as given below: First of all in this case, legal aspects in the land acquisition by Tata at Singur come into the play.

Due to globalization, most of the developing countries want to have the shift from import substitution based strategy for the land acquisition. SEZ i. e. special economic zones are the geographical regions which have the economic laws more liberal than the economic laws in the whole country. By offering the all these privileged terms from the SEZ to the company, it will attract the investment from the investors, foreign exchange, boost the employment and improving the infrastructure facilities which will help in the growth of the particular location. The same reason was here in the case also. Tata want to improve the industrialization in the West Bengal though their Nano Project.

As the Nano project will be beneficial for the both parties, Tata will get the desired place for the manufacturing of the Nano and West Bengal will also benefited. In this case, the main issue was that Industry, government and agriculture comes at the crossroads. There are so many implications for the external factors which come into this picture. As CPI had won the election for the seventh consecutive time in West Bengal, CM Buddhadeb Bhattacharjee has the vision to make the West Bengal an industrialized state which will help the people to upgrade their standards. CM was very happy that government has recommended the Singur for the Nano Plant. As Ratan Tata was looking for the place where he would able to control the cost and place would be cheap so that he can provide the people the car of worth Rs. lakh.

So, Ratan Tata accepts the proposal from the West Bengal government because at Singur the cost of its operation would be less and Tata will get benefited out of it. The statistical data of Hooghly district on Singur block is that 83% of the land is irrigated and crop density is 220%. The landholders in

the Singur were very small. All have the land in the small proportions. There are a large number of migrant workers over there; it implies that Tata would get the cheap and easy labor over there in the Singur. On May 18, 2006, there was the announcement by the West Bengal government for the beginning of the project at Singur. Ratan Tata promise to complete the project in 2 years.

The whole project was spread into 2 parts, one part having the land of 700 acres and another part of 300 acres which was kept for the ancillary production for the project. The project has created the 10, 000 direct and indirect jobs over there in Singur. On Jun 19th 2006, Tata got a notification from the government under the section 9(1) of land Acquisition Act of 1894 to the affected farmers due to this project. The Act mentioned that the land acquired by Tata needed to be taken by the government/ government authorities for the public purposes, employment generation and socio economic development of the state. After some time on Jul 27, 2006 the state government sets the 6 months deadline for acquiring the land. After that this land acquisition got challenged by the Kolkata High Court. Some people in the Singur got their cheques for the compensation from the government as they protest against the government for the cheques.

After that there is state wide violence in the Singur began. The monitoring protesting starts in the Singur. Ms. Mamta Banerjee took the lead for the opposition of the project. On 22th Jan, 2007 there were near about the 1000 guards arranged for Tata Motors' plant to save it from the protesting people on the day of Bhoomi Pujan. There are the people from the all parts of the society come in the Singur to protest this movement. On 4th Feb'07, HC

issued a prohibitory order under the section 144 Cr at Singur and announce that it was the only use of power and unreasonable restricted practices by the government authorities.

After some days, the government asked for the file an affidavit which will show all the details for the legality of the land acquisition by the Tata Motors at Singur. Here comes the issue whether land acquire though under the two different section of land acquisition act 1894, it got directed towards the farmers who receive the compensation from the government. After messing with government, finally Tata got the approval for the plant on March, 07. The government signed an agreement to lease the 949.5 acres to the Tata Motors for 90 years. After some time, government felt that an advocate made some mistakes and the same case got filed again, government found that only 30% of the farmers signed willingly and yet other people do not want. The state government admitted that Till April 25, 07 only Rs.

90.35 crores have distributed and rest the people are left undistributed the money where as their land had already acquired. In the meanwhile the Nano got unveiled in Delhi's Pragati Maidan on Jan 10, 08. On Jan 18, 10, Calcutta High Court sealed the land acquisition in Singur and asked the Tata to roll out the Nano without completing the project. The Chief Justice dismissed all the 11 petitions filed by the Tata. Tata has not paid the people which are CPI(M) supported. Now there are conditions got critical and Ratan Tata decide to roll out the project from the Singur on Oct 3, 08 due to worried about the safety concern of the Mangers and their families over there.

Implications on Stakeholders The stakeholder impacts the case a lot from the point of view of their different place in the organization. The implications of all the stakeholders are given below: Tatas Prospective Investors Ancillary Units Competitor to Nano Farmers Stakeholders WB Government Employees Mamta Banerjee Different Stakeholder Values The primary stakeholders for the Tata project were Tatas, government of west Bengal and farmers. The government plays a critical role in pulling out the project by Tatas. Mamta Banerjee played with the emotions of the Farmers by making them ignited for the opposition of this project. Every stakeholder thinks from its prospective of getting the benefit out of this problem. Talking about the farmers, as they firstly persuaded for the land acquisition but they were opposing it because due to increase in the land prices as they are demanding now the high prices for their land. As the West Bengal is a agriculture state, there is a lack of industrialization in the West Bengal.

The issue was taken up by the opposition due to this factor also. The main role played by the Mamata Banerjee by taking the help of political and government issues which are totally external, could not able to handle by Tatas. The formulation of Tata-Singur case is very much uncertain. There are too many speculations over there for unsatisfied farmers as they demanded more money now. Returning 400 acres to the farmers which was unwillingly for the Tatas or the main reason was the political factors. Theory of Socialism Socialism is a theory related to the political and economic factors of the public or for the mutual ownership of the people in particular regions. It has a lot of importance in the means of the production and makes the resources allocated among all the departments.

The theory of socialism plays an important part in Singur Case. As the socialism theory will have the care for the people in the society, it will help the people to co operate the each other. The Tatas can carry out the production by the free association of the workers to use the maximum optimal resources. The co-ordination planning is the major part of this theory and I think in co-ordination or in the planning of the co-ordination Tata is the best in the industry. The decisions about the investment, distribution of the surplus money or invest in the production methods give the advantage over the others. Socialism is the theory which is based on the arrangements for labour time, all the units of power and other factors of the production. In the case of Singur, there are a lot of political factors or forces Tata faced by the government.

The socialism theory originated from the intellectual and the working class of the society. So it impacts a lot of the political movement of the Tata Motors which arises from the fact of industrialization in the state. The main issue which comes into the picture was the private properties of the farmers in the Singur. As the West Bengal is an agriculture state, the Singur is totally depending upon the agriculture. But due to government rule, the land which is about irrigated from a long time it could be comes under the SEZs. Under SEZs the land will be used under the various government laws to start with some industries over there. The theory also emphasis on the fact about the issue at the Singur case is that due to socialism, the modern values to rationalize economic activities by the eliminating the capitalist production at the plant.

It would also allow the workers for the economic output and the power to be distributed on the base of extended work in the manufacturing of the Nano Project. Theory of Pluralism Final Outcome All Organizations face a business environment in which international and macroeconomic phenomena matter, The same with happened to TATA in Singur They faced a huge protest by the farmers in the land acquisition matter. The problem in Singur is essentially just that: the irresistible coming up against the immovable. While the government wants to develop industry in the state, farmers are worried about losing their land and procuring the next meal for themselves and their families. The trinomial congress, with its honorable leader Mamta Banerjee had a right intention of protecting the interests of the local farmers, started off well and managed to get a lot of political support from rural Bengal. As Nano factory was nearing completion, The CM of Bengal Mr. Bhattacharya stepped back and soon to come up with support and not putting up the factory in Singur.

The Tata's mistake was to put too much faith in west Bengal chief minister Buddhadeb Bhattacharjee, and to depend only on him to provide them with easy possession of land on favorable terms, and to sort out all political problems. After that TATA had offered many compensation package in exchange of the acquired land to the farmers but their leader Mamta was not interested whatsoever in any package that endangers the survival of the problem. Taking a drastic site-selection turn, Tata Motors has abandoned the site in eastern India where its 2, 000-employee plant was going to manufacture the new Nano mini-car. Prompted by months of often violent opposition from uprooted farmers, the pullout from the city of Singur came

only after Tata had reportedly spent almost US\$350 million, working for two years to ready the operation in West Bengal state to make the low-cost "People's Car. Instead, the automaker is relocating to Sanand, Gujrat, where it will construct a \$417 million facility to make the Nano mini car. Critical Recommendations The TATA motors should have entered into direct negotiations with the farmers, tried to understand their problems with empathy and offered them a higher price and employment for at least one member of each affected family. Tata motors should not have gone so far ahead in construction before critical land acquisition issues were settled