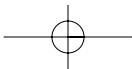
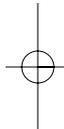
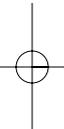
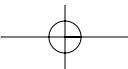
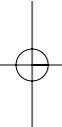




# **ORGANIZING FOR DECENT WORK IN THE INFORMAL ECONOMY**

## ***Strategies, Methods and Practices***





# **ORGANIZING FOR DECENT WORK IN THE INFORMAL ECONOMY**

**Strategies, Methods and Practices**

*Edited by*

**Pong-Sul Ahn**

**INTERNATIONAL LABOUR ORGANIZATION**

Subregional Office for South Asia (SRO)  
New Delhi

Bureau for Workers' Activities (ACTRAV)  
Geneva

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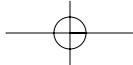
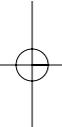
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## PREFACE

The primary objective of the ILO is to promote decent work, including fundamental principles and rights at work. Addressing this mission, the ILO Director General Juan Somavia says “the primary goal of the ILO is to promote opportunities for all women and men, to obtain decent and productive work in conditions of freedom, equity, security and human dignity.” The ILO’s Decent Work Agenda strives for economic growth with equity through a coherent blend of social and economic goals with a focus on four interconnected components — employment, social protection, rights at work and social dialogue. Decent Work has become a global goal, requiring action for greater coherence between institutions at national, regional and international levels. The ILO’s main strength lies in working on an equal footing with tripartite constituents, i.e., governments, trade unions and employers.

In South Asia, a large majority of the working poor are employed in the informal economy, where most decent work deficits exist. Poor working conditions, irregular working hours, low productivity, lack of protection, and lack of representation and voice are typical characteristics of this sector. Additionally, there is a gender dimension with a large concentration of women at the lower levels, in low-paying, irregular and often unrecognized forms of work. It is, therefore, imperative that trade unions address their issues as a priority in collective bargaining and encourage women’s participation in their decision-making bodies. Setting up a women’s wing and earmarking resources are crucial in order to deal with gender dimension in a systematic manner. There is low awareness among youth and migrant workers about the positive role of trade unions, which also function as institutions for socio-economic development, consultation and multiple services. Trade unions also need to evolve special strategies to increasingly target these groups and extend their services and membership in the informal economy.

In September 2007, an Asian Decent Work Decade was launched with the tripartite constituents at the 14th ILO Asian Regional Meeting in Busan, Korea. During this decade, the ILO, together with its tripartite constituents, will make

### **Organizing for Decent Work in the Informal Economy**

a concerted and sustained effort to realize decent work in all countries of the Asia and Pacific Region. The ILO is committed to strengthening collaboration with the tripartite constituents on issues of mutual concern.

Reaching out to informal economy workers is a primary focus of the Decent Work Country Programmes in South Asia. Organizing is an important element in achieving that goal and, hence, it is essential for the trade union movement to continue to strengthen their nationwide organizing campaigns. I hope that this publication on “Organizing for Decent Work in the Informal Economy: Strategies, Methods and Practices”, coordinated by Mr. Pong-Sul Ahn, Senior Specialist on Workers’ Activities, ILO Subregional Office for South Asia, will prove to be very useful not only in the organizing components of the activities of trade unions but also in contributing to realizing the goal of Decent Work for all.

*Leyla Tegmo-Reddy*

Director

ILO Subregional Office for South Asia

## FOREWORD

Globalization has sparked rapid changes in the world of work like employment relationships and industrial relations. This, coupled with the increasing trend of jobless economic growth, has led to an increase in unemployment rates and an expansion of the informal economy. Global economic growth is not creating enough decent jobs worldwide.

The result is that the majority of people find themselves working in the informal economy in conditions of survival and exploitation. They are very often left without legal protection, social security and collective voice to defend and promote their interests. The overwhelming category of these workers is “working poor” — not earning enough to lift themselves and their families out of extreme poverty. They are often marginalized and suffer from multiple forms of discrimination since women and other equality-seeking groups are concentrated in the informal economy.

It is against this background that this publication on “Organizing for Decent Work in the Informal Economy” is a timely contribution on how trade unions are addressing the challenge of informalization. The role of trade unions regarding the informal economy is at least four-fold: first, to engage proactively with governments and other policy-makers through policy proposals to ensure sound economic and social policies that create more and better formal economy jobs; second, to develop strategies to prevent further informalization — whether it is through assistance to young workers or protection of workers from lay-offs; third, to act as a countervailing force in society to ensure good governance and that effective legislation is developed and enforced in countries; and forth, mostly importantly, to organize workers in the informal economy.

Based largely on empirical studies, this book makes an invaluable contribution by presenting trade union organizing strategies, methods and practices in South Asian countries. The publication identifies organizing as a method to raise the consciousness of informal economy workers through education, advocacy, vocational training, campaigning and networking. Organizing is also viewed as a method of increasing the organizational

### **Organizing for Decent Work in the Informal Economy**

strength of trade unions by recruiting new members. Therefore, “organizing the unorganized” is a means of realizing the ILO’s decent work agenda, which promotes rights at work, full employment, adequate social protection and social dialogue.

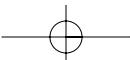
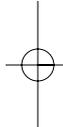
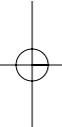
This publication is a useful tool for all ILO constituents, but particularly, for trade unions worldwide that would like to learn lessons from the experience of other unions in South Asia.

*Dan Cunniah*  
Director, a.i.  
ILO/ACTRAV

## ACKNOWLEDGEMENTS

The empirical study on the strategies, methods and practices of organizing the informal and unorganized workers would give insights to all the social partners, trade unions, management and the Government, enable them to draw lessons in developing proper policies and action programs, and think of replicating the models presented in the study. I am very grateful to R. Prabhakara Raya and C.S.K Singh for their contribution of invaluable papers to this book. I would like to express my sincere appreciation, particularly, to Dan Cunniah and Leyla Tegmo-Reddy for extending their support in bringing out this publication. I should also acknowledge the cooperation extended and information provided by a number of colleagues at the ILO, especially R. Raghawan, Claude Akpokavie, M. Saidul Islam, Saloman Rajbanshi and Razi M. Haider. I wish to thank trade unionists, especially, T. Dyvadheenam, Rajeev Sharma, Chowdhury Repon and Renana Jhabvala for their kind cooperation by supplying additional information and clarifying some facts. I would like to acknowledge the useful interventions by union leaders who gave interviews and those who participated in small group meetings, the results of which were significant in outlining Chapter III and Chapter IV. My gratitude goes to Paul Vandenberg who commented on Chapter I and Ernesto Noronha who reviewed Chapter II. I also appreciate colleagues in ILO SRO, New Delhi for their constant guidance. I would like to mention Yeon-Ju and Yeon-Jin who encouraged me a lot during the entire process. There are others whose names are not mentioned here, but whose support has to be appreciated.

*Pong-Sul Ahn*



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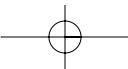
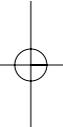
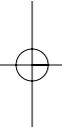
AITUC	All India Trade Union Congress
AIFAWH	All India Federation of Anganwadi Workers and Helpers
BBS	Bangladesh Bureau of Statistics
BHWWA	Bangladesh Home-based Women Workers Association
BILS	Bangladesh Institute of Labour Studies
BJP	Bharatiya Janata Party
BJSF	Bangladesh Jatio Sramik Federation
BLF	Bangladesh Labour Federation
BMS	Bharatiya Mazdoor Sangh
BPOCC	Business Process Outsourcing/Call Centre
BTWL	Bangladesh Textile Workers League
BWI	Building and Woodworkers International [known as IFBWW]
CB	Collective Bargaining
CIDC	Construction Industry Development Council
CITU	Centre of Indian Trade Unions
CPI(M)	Communist Party of India (Marxist)
DRDA	District Rural Development Agency
DGB	Der Deutsche Gewerkschaftsbund
DGE&T	Directorate General of Employment and Training
DWCRA	Development of Women & Children in Rural Areas
EPZ	Export Processing Zone
FBS	Federal Bureau of Statistics
FPPC	Forest Produce Purchase Centre
GCF	Gross Fixed Capital Formation
GDP	Gross Domestic Product
GTWL	Garments and Textile Workers League
HLW	Head Load Worker
HMS	Hind Mazdoor Sabha
ICA	International Cooperative Alliance
ICFTU-APRO	International Confederation of Free Trade Unions — Asia & Pacific Regional Organization

## Organizing for Decent Work in the Informal Economy

ICEM	International Federation of Chemical, Energy, Mine and General Workers' Union
IFPAAW	International Federation of Plantation, Agricultural and Allied Workers
IGP	Income Generating Programme
ILC	International Labour Conference
ILO	International Labour Organization
IMF	International Monetary Fund
IMF	International Metalworkers' Federation
INTUC	Indian National Trade Union Congress
ITF	International Transport Workers Federation
ITGLWF	International Textile, Garment & Leather Workers' Federation
ITI	Industrial Training Institute
ITUC	International Trade Union Confederation [known as ICFTU, International Confederation of Free Trade Unions]
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
KBO	Knowledge Based Organization
KHLGWU	Kerala Headload and General Workers' Union
KLW	Kendu Leave Worker
KSCWCU	Karnataka State Construction Workers' Central Union
MFA	Multi-Fiber Arrangement
MNCs	Multinational Corporations
MP	Member of Parliament
MPTGEU	Metal Port Trust General Employees' Union
MRO	Mandal Revenue Officer
NCCWE	National Coordination Committee for Workers' Education
NCL	National Centre for Labour
NFCL	National Federation of Construction Labour
NGO	Non-Governmental Organization
NSS	National Sample Survey
NSSO	National Sample Survey Organization
NTUF	National Trade Union Federation
NWC	National Workers Congress
OFDC	Orissa Forest Development Corporation Ltd
OFMFUW	Orissa Forest and Minor Forest Workers' Union
OKKS	Orissa Kendu Patra Karmachari Sangh
PIA	Pakistan International Airlines
PDS	Public Distribution System
PWF	Pakistan Workers Federation
RMG	Ready-made garments

**Abbreviations**

SASK	Trade Union Solidarity Centre of Finland
SHG	Self-Help Group
SEU	Self-Employed Union, Bangladesh
SEWA	Self-Employed Women's Association
SEZ	Special Economic Zone
SMEFI-MS	Steel, Metal & Engineering Workers' Federation of India — Maharashtra State
STU	Swatantra Thozhili Union
SWOT	Strengths, Weaknesses, Opportunities and Threats
TMKTS	Tamil Maanila Kattida Thozilalar Sangham
TRYSE	Training of Rural Youth for Self Employment
UNITES	Union for Information Technology Enabled Services Professionals
UNDP	United Nations Development Programme
VRS	Voluntary Retirement Scheme
WAPDA	Water and Power Development Authority
WIEGO	Women in Informal Employment Globalizing and Organizing
WTO	World Trade Organization
ZTZ	Zero Tolerance Zone



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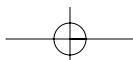
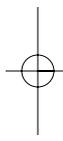
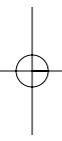
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# CHAPTER I

## AN OVERVIEW OF THE IMPACT OF GLOBALIZATION IN SOUTH ASIA

### 1.1 INTRODUCTION

The question of whether or not economic globalization produces opportunities and challenges for workers and trade unions has often been debated. Multinational corporations, one of the driving forces of globalization, while dominating the global economy with their advantage of financial capacity, marketing know-hows and high technologies, also manipulate markets and employment in search for cheap labour in developing countries.

The industrial restructuring, new industrial policies and expansion of the informal economy are key elements which have shrunk the collective bargaining power of trade unions and transformed the existing industrial relations pattern. In privatizing state corporations, workers' employment status and corporate benefits are commonly renewed or weakened. The new proposals of setting up hundreds of Special Economic Zones are submitted in India but the compliance of labour rights and trade union rights in the zones is uncertain. The majority of the working population in South Asia, accounting for the range of 70 to 93 per cent of the work force, are in the informal economy where legal and social protection is insecure. Workers in South Asia have also faced formidable challenges, as the real income, particularly in the Sri Lankan private sector, has gone down and labour standards are not properly respected. High economic growth in most South Asian countries in the last decade has not addressed the issue of the impoverished living and working standards of workers, rather the numbers of the unemployed and underemployed have generally increased without regard to the constant march of economic growth. Therefore, this chapter analyzes the impact of globalization on labour and trade unions and reviews whether

## Organizing for Decent Work in the Informal Economy

trade unions' responses to globalization are effective enough to cope with such challenges and changes facing the working people.

## 1.2 WORKERS AND TRADE UNIONS IN A GLOBALIZING ECONOMY

### 1.2.1 Powerful influence of multinational corporations

Globalization, which involves a significant increase in foreign direct investment by multinational corporations (MNCs), integrates the production and financial system across national boundaries. MNCs with their enormous financial muscle and global production networks, have influenced the local economic development and labour markets of less developed countries. In 1998, with manufacturing operations in 32 countries and a work force of 340,000 people worldwide, General Motors (GM) had a sales turnover of US\$164 billion, which was higher than the gross domestic product (GDP) of Thailand at US\$154 billion, Norway at US\$153 billion, Saudi Arabia at US\$140 billion and Malaysia at US\$98 billion (United Nations Development Program, 1999).

Wal-Mart, a giant retail company with a sales turnover of US\$348 billion in 2006, is exploring the possibility of setting up wholesale trading business and a retail joint venture with a local partner in India. This step of Wal-Mart, which takes advantage of India's rapid economic growth and rising consumer demand, has given rise to great concern among the 12 million small store owners and 40 million people whose livelihoods rely on the retail sector. In case the investment plan of Wal-Mart is concretized, employment structure and earnings in the retail sector of India will be seriously affected within a short span of time.

Numerous cases of violations of labour and occupational health and safety standards, including harassment of trade union representatives, wrongful termination of employment and inaccurate payment of wages for workers, were found at Saga Sports, which makes soccer balls in Sialkot, Pakistan. In November 2006, these violations have resulted in the cancellation of a supply agreement with NIKE, a multinational sports company, which resulted in job insecurity for thousands of workers, as well as a possible downturn in the local economy. In response to domestic and international pressure, NIKE agreed to resume its soccer ball production in Sialkot in late May 2007 but on a contract with a new manufacturer. Like the Saga case, labour rights are not only social issues but economic ones, related to employment and local development. These are some typical examples of how multinationals dominate the global

and local economy and affect the world of work and the livelihoods of ordinary workers.

## 1.2.2 Employment security and working conditions

A free market regime leads to social and economic transformation and results in changes in living and working standards. South Asia has several examples that bear this out. The ready-made garments (RMG) and textile sector is extremely significant in the economy of most South Asian countries, because it employs a large number of workers and earns a substantial amount of foreign exchange for these countries.

Since the 1980s, Bangladesh under pressure from funding agencies like the World Bank and the International Monetary Fund (IMF) has been forced to economically integrate with the world markets. It liberalized its economy, regulated financial markets and privatized its state enterprises, in order to attract more foreign investment.<sup>1</sup> While these open market policies made Bangladesh's export earnings grow from US\$900 million in the early 1980s to US\$7.4 billion in 2004, it also resulted in the closure of once Asia's biggest jute mill, Adamjee Jute Mill, leading to a rise in socio-economic instability like increased unemployment. In the late 1980s, raw jute and jute products constituted 74 per cent of export earnings of Bangladesh, but by 2005 the robust growth of the RMG sector accounted for 74.15 per cent of total exports and an earning of US\$6,417 million (Bangladesh Bank's Annual Report).<sup>2</sup>

In the 1980s and 1990s, the increased production of garments and textiles in South Asian countries generated a large number of jobs, especially for women. The RMG sector in Bangladesh employed about 2 million people in 2004–05, of which about 80 per cent of them were women. Besides, many job opportunities have been created in other ancillary sectors like packaging, courier services, labeling, port handling, transport, insurance, marketing and banking. Despite the remarkable economic achievement and prosperity of the RMG sector, the national minimum wage of Taka 930 set out in 1994 has not been reviewed until 2006 and a substantial number of informal and irregular workers in the sector do not even get the minimum wage.

On 1 January 2005 when the Multi-Fiber Arrangement (MFA) was phased out, competition among exporting countries intensified, putting pressure on RMG companies to lower prices of products by reducing labour costs. Although the RMG sector in Bangladesh grew 20 per cent in 2005, compared to 2004, the working conditions of women, who lack job security, hygiene, nutritious food, healthcare, training and labour rights, were not adequately taken care of.

The garment industry is dependent on cheap labour, usually employed on contract or casual basis. Ninety per cent of the 294 women workers who

## Organizing for Decent Work in the Informal Economy

participated in a sample survey conducted in 2002 in the knitwear sector in Tiruppur, India, were casual workers.<sup>3</sup> Many young girls, who emigrated to Tiruppur and Coimbatore districts from neighboring districts or states are employed as apprentices on a three-year contract under a state law with the condition that they would be paid a lump sum of Rs.30,000 (equivalent to US\$685), after the completion of the contract. A worker who is unable to work for whatever reason is forced to leave without any payment for the completed service period.

### 1.2.3 Privatization and downsizing

Privatization and downsizing of state enterprises are factors that are leading to changes in employment, benefits and the working environment across South Asia. For instance, the airports in New Delhi and Mumbai, India, were handed over to private companies in early 2006, despite strong resistance by the workers who were concerned about their job security. The Indian Railways has continued to be disinvested and downsized, resulting in an increase in the proportion of contract labour.

In Nepal, after the end of the decade-long Maoist insurgency, the government's motive in initiating the banking and financial sector reform is not purely for reason of re-capitalization, but it has, rather, been pushed by the World Bank, to develop the national infrastructure in lieu of huge loans. As the reform unfolds, trade unions are concerned with side-effects like retrenchment and economic dependence, given that the Nepali economy, heavily dependent on the tourism industry, would be highly vulnerable.

In Sri Lanka, the legislation on the privatization of the Ceylon Electricity Board, weakens the employment relations and changes the benefit entitlements. The Board is likely to be divided into seven smaller units, separating transmission, distribution, generation and management. The Sri Lankan Government is ready to hand over the management of the Board of the Ceylon Oil Corporation to private hands. The new management intends to have a fresh employment contract with all the workers, which will definitely reduce the existing benefits and wages.

As the Water and Power Development Authority (WAPDA) in Pakistan has been gradually downsized since the late 1990s, labour intensity increased significantly, magnifying concerns relating to the occupational safety and health of the workers. According to the data provided by the WAPDA union, there were 81 accidents in 2005, of which 71 were fatal. Between January and June 2006, there were 41 accidents, which have caused 21 deaths. Privatization is on the agenda of other public sector organizations, including Pakistan International Airlines (PIA) and to

facilitate privatization, the trade union at the PIA and Pakistan Railways were even disbanded by the government.

### 1.2.4 Export processing zones and special economic zones

The Export Processing Zones (EPZs) and the creation of Special Economic Zones (SEZs) in countries such as Bangladesh, India, Nepal and Pakistan have also had repercussions on the condition of workers and trade union activities. In EPZs in Bangladesh, India and Pakistan, the application of domestic labour laws and international labour standards have been restricted. Part of the production in the EPZs is considered as essential public services. Local governments in India are given autonomy to review the list of essential public services and utilities every six months to ban labour action. The Government of West Bengal included the information technology (IT) sector as an essential service and the Government of Karnataka also put the automobile industry under the list of essential public utilities for the same reason. Union activists cannot enter EPZs without permission from authorities in many South Asian countries. As the Government of India announced the setting up of hundreds of SEZs throughout the country, to attract investment from both domestic and foreign companies, trade unionists are concerned with its policy, possibly to restrict the practice of legitimate trade union activities.

While setting up SEZs, the Government of Nepal tends to adopt unfair regulations. Wages and working conditions in SEZs in Nepal are not likely to be regulated by the labour law but by the government authority. Provisions relating to Workers and Employees (Part 6) of the Special Economic Zone Bill states that the minimum salary and benefits, healthcare, security, working hours, welfare provision for workers being employed in an industry established within SEZs, shall be determined by the SEZ Board on the recommendation of the secretariat office of the Board, which will comprise the Secretary of the Ministry of Industry, Commerce and Supplies, a representative of the Ministry of Finance, Director General of the Department of Industry, a representative of Nepal Rashtra Bank, president or a member of the Federation of Nepalese Chambers of Commerce & Industry (FNCCI), experts from the business sector and Chief of the Board Secretariat.<sup>4</sup> The Board does not include any representative from workers and their organization.

### 1.2.5 Wages and income gaps

One of the significant features of a developing country's economy is the skewed relationship between productivity gains and wages, which do not rise at the same pace as profits.<sup>5</sup> Even as productivity increases, leading to

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enhanced profits, wages still remain stagnant. Continued high economic growth in South Asia does not lead to the equivalent growth of income and reduction of poverty. The net effect is that the process of globalization has overall widened the income gap between the rich and the poor like the less educated and the disadvantaged. The income gap between the top 20 per cent and the bottom 20 per cent countries in the world increased from 30:1 in 1960 to 60:1 in 1990, rising further to 75:1 in 2000, which demonstrates the intensified impoverishment of less developed countries.<sup>6</sup> It is a general characteristic in South Asia that the numbers of the unemployed and underemployed have increased, and real wages for the unskilled have declined, as described in Section 2.2.5 of Chapter II.

The high levels of inflation, mainly accompanied by increasing prices of oil, is bound to reduce the real income and keep workers as the working poor. Nominal wages in most industrial sectors have not increased much even though South Asian countries have been unable to control high inflation. Table 1.1 shows that the value of the Gini coefficient, measuring the consumption pattern and inequality, has substantially increased in Bangladesh, India, Nepal and Sri Lanka from the early 1990s to the early 2000s. Pakistan is the only country in South Asia in which the Gini coefficient has decreased by 2.6 points between 1991 and 2002, but the recent rise in consumer prices have lowered workers' real wages and widened inequality in the country. The inflation rates in Pakistan were 9.3 per cent in 2005, 8 per cent in 2006 and 7 per cent between January and April 2007 respectively.

**Table 1.1: Indicators of inequality in South Asia, evaluated by Gini Coefficient**

	Start period (year)	End period
Bangladesh	28.9 (1989)	31.8 (2000)
India	29.7 (1990)	31.7 (1999)
Nepal	37.7 (1996)	47.2 (2004)
Pakistan	33.2 (1991)	30.6 (2002)
Sri Lanka	30.1 (1990)	40.2 (2002)

Source: United Nations, *World Economic Situation and Prospects, 2007*, New York and Geneva, p.112. <http://www.un.org/esa/policy/wess/wesp2007files/wesp2007.pdf>

Workers' discontent with high inflation and suffering from increased living costs have been expressed by the demonstrations organized by trade unions in Pakistan and a joint statement released in 2006 by trade unions in Sri Lanka. The Pakistan Workers Federation (PWF) has held street

demonstrations frequently, demanding that the government control skyrocketing consumer prices. Sri Lankan trade unions issued a joint statement in February 2007, demanding a sharp increase in national minimum wages in the private sector in order to meet the huge rise in living costs.<sup>7</sup>

### 1.2.6 Employment in the informal economy

A jobless growth syndrome emerges, as the national economy continues to grow but does not necessarily have any crucial impact on productive employment generation. Between 1990 and 2000, the GDP in South Asia grew at 5.16 per cent per annum, but the employment growth rate was only 2.3 per cent annually.<sup>8</sup> The GDP growth in Sri Lanka in the 1980s, 1990s and 2000 was 4.2 per cent, 5.2 per cent and 4 per cent respectively, while the corresponding employment growth has been much lower, at 2.6 per cent, 2.4 per cent and 1.8 per cent during the same periods.

Although India's economic growth is attributed to the remarkable success of the manufacturing sector, the number of jobs in the organized sector has hardly increased since 1991. Rather, employment in the organized manufacturing sector declined between 1996 and 2002. In addition, enterprises consider the retrenchment of workforce and slashing of corporate benefits as a priority to reduce production costs. Labour market flexibility in South Asia is as high as 69.9 per cent in Sri Lanka, 70 per cent in Pakistan, 75.3 per cent in Bangladesh, 92.8 per cent in India and 93.4 per cent in Nepal.

Some grade workforce into two segments like the high-paying formal sector and the low-paying informal sector, but it is not easy to determine the equation between high-paying jobs and low-paying ones. A polarization of the workforce is largely divided into two distinct categories. One group of workers tend to be better educated, career-oriented, individualistic and less motivated by class interests and solidarity, while the other group of workers is unskilled, marginalized and scattered.<sup>9</sup> Employment is being concentrated in the informal sectors, characterized by less remunerative and low productive work, absence of private and statutory social security schemes, poor working conditions and lack of access to vocational training, skills development and education.

### 1.2.7 Freedom of association

The existing labour laws are hardly enforced as the enhanced corporate competitiveness and investment are considered as a priority. The Sindh and Punjab provinces in Pakistan exempted employers from labour inspection in industrial zones. The Central Government of India intends to introduce a self-certification scheme, which will enable employers to avoid labour inspection.

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The Government of Punjab in India to curtail visits of government officials for inspection of those units has already notified the self-certification scheme for small scale industries/establishments in the state.<sup>10</sup> Once opted, the scheme will be valid for five years.

The realization of the freedom of association and the right to collective bargaining are inhibited in South Asia. The enforcement of the labour laws is one of the major challenges in assuring the voice and representation of workers, particularly in the informal sector. The ratification of the International Labour Organization (ILO) Core Conventions is substantially high in all South Asian countries as seen in Table 1.2, but in practice their implementation is poor, and the administration and the judiciary are unable to oversee their proper implementation.

Table 1.2: ILO Conventions ratified by South Asian Countries, years ratified

Country	Freedom of association		Forced labour		Discrimination		Child labour	
	No.87	No.98	No.29	No.105	No.100	No.111	No.138	No.182
Bangladesh	1972	1972	1972	1972	1998	1972	X	2001
India	X	X	1954	2000	1958	1960	X	X
Nepal	X	1996	2002	X	1976	1974	1997	2002
Pakistan	1951	1952	1957	1960	2001	1961	2005	2001
Sri Lanka	1995	1972	1950	2003	1993	1998	2000	2001

Source: <http://www.ilo.org>. The Conventions marked as X are not ratified.

As a consequence of downsizing, privatization and changes in employment contracts, the cases of labour disputes filed in Labour Courts/Tribunals have increased in South Asia. Table 1.3 explains that, of the 362 labour disputes filed

Table 1.3: Annual progress report of the Labour Court in Kathmandu, Nepal

Types of labour dispute cases	Filed cases			Settled cases	Balance
	Cumulative cases by 2006	From Jan. to March 2007	Until 15 March 2007	Until March 2007	
Complaint/ Petition	4	0	4	1	3
Appeal to Labour Office	93	16	109	33	76
Appeal to management	219	30	249	46	203
Others	0	0	0	0	0
<b>Total</b>	<b>316</b>	<b>40</b>	<b>362</b>	<b>80</b>	<b>282</b>

Source: ILO Kathmandu Office, April 2007.

in the Labour Court in Kathmandu between January 2006 and March 2007, only 80 were settled and the Court's decision on 282 cases is still pending. Nepal has only one Labour Court based in Kathmandu, which has insufficient resources to resolve huge backlogs of labour dispute cases.

Table 1.4 demonstrates that the cumulative cases of labour disputes in Sri Lanka have increased from 15,300 in 2000 to 22,400 in 2005. Although the Government of Sri Lanka has increased the number of Labour Tribunals and other bodies, a typical labour dispute case takes three years on an average to reach a conclusion.<sup>11</sup> The system still has fundamental constraints like procedural limitations on handling pending cases, which is responsible for the huge backlog in the labour tribunals. Amongst the estimated 22,400 pending cases in 2005, labour disputes on the termination of employment services by the employer are high, standing at about 17,000.

**Table 1.4: Delay of labour dispute cases by the Labour Tribunals in Sri Lanka between 2000 and 2005**

Year	Pending cases brought from the previous year	New cases filed	Cases finished in the year
2000	15 300	6 800	6 800
2001	15 300	7 800	6 700
2002	15 900	3 900	5 500
2003	15 435	4 800	4 400
2004	17 400	6 300	6 900
2005 (est.)	22 400	4 800	6 000

Source: [www.justiceministry.gov.lk](http://www.justiceministry.gov.lk)

Trade union activities legitimately recognized by law are restricted not only by unfair labour practices happening at workplaces but by the use of the judicial system in India and by the State Ordinance in Sri Lanka. In the industrial area of Gurgaon near New Delhi, the number of industrial disputes has increased since 2005. In July 2005, over 3,000 workers of the Honda Motorcycles Scooters India at Gurgaon gathered for a protest against an illegal lockout declared in June. Clashes between the police and the workers resulted in 150 workers being injured. Since trade unions, political groups and civil society intervened in the disputes and pressurized the company, the situation eased only after union leaders who had been sacked earlier were reinstated.

When workers of the Sri Lanka Ports Authority (SLPA) went on a strike in July 2006 after the management refused to negotiate with trade unions on a

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pay increment, the employers used the judicial system to restrict trade union rights. The Joint Apparel Association Forum (JAAF), which uses the SLPA ports for import and export of raw material and finished apparel, appealed to the Supreme Court that the strike led by 14 port unions violated the employers' right to lawful employment and equal treatment before the law and also affected their normal business activities. The Supreme Court ruled that industrial action should be called off and the police and the armed forces deployed to oversee this. Seven union representatives lodged a complaint with the ILO in September 2006 against the judicial decision on the grounds that it violated their freedom of association and collective bargaining as well as the principles of fundamental rights enshrined in the Constitution of Sri Lanka.<sup>12</sup>

In 2006, the Garment and Textile Workers' Union (GTWU) and local human rights organizations in India collected workers' testimonies on the violations of labour rights, including harassment, arbitrary termination of services and the absence of proper safety measures at the Fibres & Fabrics International (FFI) and Jeans Knit (JKPL) in Bangalore. As they shared this information with international labour and human rights organizations, a meeting between trade unions and the FFI management was held to resolve the issue. Not satisfied with the results of the meeting, the FFI appealed to the Court of PRL. City & Sessions Judge at Bangalore demanding the prohibition of information-sharing by the trade unions and human rights societies. The Court granted an "interim order" in July 2006 in favor of FFI, stating that "the defendants and their men or anyone through them are hereby restrained from passing on any information, data or articles touching the matter relating to the plaintiff company to any organization or persons or entity outside India in any form of communication or through any media or electronic media including internet".<sup>13</sup>

The Public Security Ordinance in Sri Lanka, amended in August 2006, lists the garments export industry as an essential service and bans strikes or industrial action in that sector. The conflict between the Bangladesh Nationalist Party (BNP) leading four political parties and the opposition Awami League leading a 14-political parties' alliance in Bangladesh triggered the postponement of the presidential election originally scheduled on 22 January 2007 and caused the enforcement of the Emergency Rules on 11 January 2007, which bans any political activity including trade union meetings.

### 1.2.8 Trade union responses to the impact of globalization

What does globalization mean for working people? The evaluation of trade unions response to globalization is not generous but harsh. The International

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Trade Union Confederation (ITUC, former ICFTU) defines the world economic climate as follows: “The imbalances of economic globalization are having a devastating effect on millions of workers. Off-shoring, abuse of workers’ rights and increasing poverty are all examples of the negative impact of these developments.”<sup>14</sup> The Centre of Indian Trade Unions (CITU) stated at its Fifth Conference held in Bangalore in 2006 that “sixteen years of globalization had been severe on the Indian working class with downsizing of manpower, increasing workload, price rise of essential commodities, removal of social security net and marginalization of trade unions”.<sup>15</sup> In fact, the development of production supply chains, for instance in the textile and garment industry, has presented new challenges for the trade unions, on the one hand, while, on the other, the new trends of employment — contractualization, casualization and outsourcing — are having an effect on traditional trade union activities and consequently industrial relations.

How, and to what extent, does globalization affect trade unions and their ordinary activities? Labour movements at the national and global levels have had to face enormous challenges due to structural changes in the global economy. Such external variables give rise to extreme changes in trade union organizations in South Asia, which are overall structurally weak due to the low union density, multiplicity of unions and lack of financial self-reliance. Inadequate regulation of labour laws in workplace environments leads to violation of the freedom of association and the right to have collective bargaining.

The question arises whether trade unions have adequately prepared and responded to the paradigm shift arising from globalization. The general assessment is that national and global unions have not effectively demonstrated their preparedness and responsiveness to the situation. The response of the labour movement has also been limited to analyzing the new challenges and stimulating discussions on its impact. The 17th Congress of the International Confederation of Free Trade Unions (ICFTU) held in Durban, South Africa from 3–7 April 2000 recommended further discussions within the international trade union movement to take effective measures in the era of globalization.<sup>16</sup> Conventional trade unionism is inclined to confront three types of challenges that have led to different crises.<sup>17</sup> First, the increasing differentiation and diversification of working people has created a crisis of interest aggregation. The workplace culture is more individualistic and economic interest-oriented than collectivism- and rights-based. Second, the decentralization of employment regulation to the enterprise level has resulted in a crisis of workers’ class consciousness. Individual employment contracts become common, which are beyond the influence of collective agreements. Third, the failure of unions to organize workers in the informal sector as well

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as in new growth industries has caused a crisis of representation, because the labour movement has no longer succeeded in manifesting solidarity and forging a common front.

Recognizing the adverse impact and unprecedented challenges of globalization, the ILO constituted the 'World Commission on the Social Dimension of Globalization' in 2004 to analyze the ground reality of the world of work. The Commission came to the conclusion that there is a need to design a new architecture of the world economy, which will embrace human dignity, fairness, equity and equality.

### 1.2.9 Concluding

This study proposes a global and national two-layer approach, which would be inevitable in reshaping the world economy with a human face. First, there is a need to reframe global institutions so as to reformulate macro economic and social policies, with a focus on issues related to poverty reduction, employment generation, healthcare, and provision of vocational training and education. Since the Bretton Woods Institutions like the IMF and the World Bank as well as the World Trade Organization (WTO) are the driving forces redesigning the landscape of the world economy and the lifestyles of working people and their families, there is public demand to reform them. The enhanced participation of representatives of different interest groups in the decision-making process of these institutions would be one way of making the institutions accountable and transparent. The establishment of various layers of consultative mechanisms would be a path to institutionalize the policy-related consultations with trade unions, the employers, academia and civil society.

Second, trade union organizations need to come out as social institutions for change.<sup>18</sup> They have to act not only as a warehouse to protect the deprived and marginalized, to provide education and training, and to network unionists, but also as an alliance to mobilize solidarity and to increase the voice and representation of the unorganized and informal workers. Thomas A. Kochan, Professor, Work and Employment Relations at Sloan School of Management, Massachusetts Institute of Technology (MIT), who attended the 6<sup>th</sup> Asian Regional Congress of International Industrial Relations Association (IIRA) held in New Delhi on 19–21 April 2007, claims that the labour management relations system has to shift toward a modern human resource management, suitable for a knowledge-based society and the Information Technology-based economy. Trade unions have to be, therefore, redefined to play a major role as the supplier of education and training to their members. As informal workers are organized, they can be empowered through awareness

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raising, education, advocacy, vocational training, campaigning and networking. Therefore, organizing the unorganized, especially workers in the informal sector, would be the entry point to ensure decent work, which means rights at work, productive employment, adequate social security and social dialogue.

Trade unions must, therefore, realize that they need to reach out to the informal and unorganized and hence Chapters II, III and IV will provide examples of organizing strategies, methods and practices to trade unions eager to gain new members.

### 1.3 COMPOSITION AND METHODOLOGY

This book is divided into four chapters. Chapter I provides an overview of the impact of globalization on labour and trade unions and identifies lack of decent work in South Asia with respect to working and living standards, wages, employment, and labour and trade union rights. It then describes the composition and methodologies used for this study.

Chapter II, titled “Organizing as a Catalyst for Promoting Decent Work in the Informal Economy”, introduces various organizing strategies such as forming self-help groups and cooperatives, information technology (IT) training, skills development, welfare measures, social mobilization, friendship houses, study circles, and union unity and unification. These have been explored from the experience and experiments of different trade unions, mainly in South Asia and the ILO. These strategies would help trade unions, seeking to increase their membership and reach out to the informal economy workers. The paper analyzes the characteristics of the informal economy in South Asia and its relevance to trade union activities and argues that organizing — as an entry point for awareness-raising, provision of education and training and legal and social protection — could be a common task of both the ILO and trade unions to achieve the goal of decent work for all working people.

Chapter III, titled “The Informal Economy and Trade Unions”, describes organizing methods through the collection of primary data of 13 local unions that are active in various informal sectors in four states in India — Bihar, Chhattisgarh, Karnataka and Maharashtra. Among them are bullock cart drivers, rickshaw pullers, autorickshaw drivers, powerloom workers, loaders and unloaders, seed processing and packaging workers, workers in explosives factories, brewery workers, workers in stone quarries, anganwadi workers, Mid-Day Meal scheme workers, vendors and agricultural workers. A SWOT analysis is used to identify the strengths, weaknesses, opportunities

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and threats of trade union activities in order to draw lessons from the case studies.

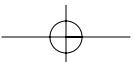
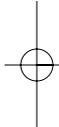
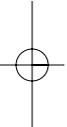
Chapter IV, titled “Success Stories of Trade Unions in Organizing the Unorganized”, draws out the best practices used by seven unions in organizing the informal workers. These best practices, recommended by national trade unions as well as the ILO, come from unions like the Thiruvalluvar Kudisi Veedu Kattuvor Nala Sangham (Thiruvalluvar Hut and House Construction Workers’ Welfare Association — under the All India Trade Union Congress or AITUC), Rice Mills Mazdoor Sangh (under the Bharatiya Mazdoor Sangh or BMS), Palakkad Headload and General Workers’ Union (CITU), Orissa Kendu Patra Sangh (under the Hind Mazdoor Sabha or HMS), Mahila Karmikula Union (Fisheries Women Workers’ Union under the Indian National Trade Union Congress or INTUC), Karnataka State Construction Workers’ Central Union (National Centre for Labour), and Self Employed Women’s Association (SEWA).

This book relies on empirical studies based on primary sources, mainly from the ILO and trade unions, generated during workshops, seminars and thematic studies as well as through interviews with union leaders at the local and national levels and focus group discussions with rank-and-file members of the unions. The secondary data of the study was gathered from labour inspection records available with the concerned labour department, offices of the state governments, trade union records including leaflets, pamphlets and macro-level economic and statistical data. The volume is, therefore, expected to be a useful guide for educators and organizers in charge of training and organizing affairs, as well as for experts on the labour movement and industrial relations.

**Chapter I**  
**An Overview of the Impact of Globalization in South Asia**

## Notes

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## CHAPTER II

# ORGANIZING AS A CATALYST FOR PROMOTING DECENT WORK IN THE INFORMAL ECONOMY: ORGANIZING STRATEGIES

## 2.1 INTRODUCTION

The rapid spread of globalization has had an enormous impact on the employment structure in South Asia, which is increasingly shifting towards labour flexibility. Regular employment is giving way to casual, contractual and irregular employment — more in some countries than in others. While the share of irregular employment in the total labour force is 69.9 per cent in Sri Lanka, it is as high as 93.4 per cent in Nepal. The contribution of the informal economy to the growth of GDP and employment has been enormous, but the returns to workers in this sector have been marginal at best. A large number of informal workers in sectors such as shipbreaking, agriculture and RMG earn below the minimum wage and fall in the category of working poor. There is little hope for change in the future because the informal workers are not aware of their rights and labour standards are also not adequately respected at workplaces.

The trade union density in South Asia is as low as 3 to 13 per cent of the total labour force. Trade unions are severely fragmented because of diverse political ideologies and there is considerable competition among them, leading to union rivalry. Women are underrepresented in trade unions at all levels and their participation is not likely to improve unless the barriers they face at home and the workplace are removed. The nature of employment — irregular, scattered and heterogeneous — discourages efforts by trade unions to organize the informal sector workers. But, there is a need to launch a wide range of 'organizing' campaigns with innovative and systematic approaches by unions, individually as well as in a collective manner, at the national, continental and

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global levels. Organizing could be a common task of the ILO and trade unions, working together towards providing decent work to workers as well as ensuring their fundamental rights at work.

This chapter aims at dissemination of organizing strategies. It is split into five sections, including this introductory section and a concluding one. While analyzing different segments of employment, wages and working conditions in selected sectors, the second section looks at organizing as a catalyst for enhancing voice and representation and eventually promoting decent work. The third section discusses the working and living standards of the informal workers and the peculiar situation of trade unions in South Asia. The fourth section explores various organizing strategies used by the ILO as well as different unions, which could be replicated by other unions aspiring to increase their membership.

## 2.2 THE INFORMAL ECONOMY RESHAPING TRADE UNIONISM

### 2.2.1 Characteristics of the informal economy

The ILO classifies employment in the informal sector under three main segments: (i) owners or employers of micro-enterprises employing a few workers; (ii) own account workers working alone or with other family members as unpaid employees; and (iii) dependent workers in micro-enterprises working with contract or on casual basis.

The National Labour Academy in Nepal divides employment in the informal economy into three sectors — agriculture, non-agriculture and the urban sector. The Bangladesh Institute of Labour Studies (BILS) classifies the employment structure into two broad groups: (i) *non-wage employment*, which includes the self-employed in micro-enterprises or with own account and in family businesses; and (ii) *wage employment*, which includes regular and casual workers, sub-contract workers and home-based workers.<sup>1</sup>

Some developed countries define the unorganized sector as establishments employing less than five workers or as the illegal black market that avoids paying tax. However, the “Second National Commission on Labour” in India identifies establishments with less than 19 workers as the unorganized sector, while the Planning Commission of India considers establishments with less than 10 workers as unorganized. The Second National Commission on Labour, India characterizes the unorganized sector as below:

Low level of organization, casual labour relations, small own account of family-owned enterprises or micro enterprise, ownership of fixed and other assets by self, involvement of family members, easy entry and exit, free

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mobility, use of indigenous resources and technology, absence of fixed working hours, unregulated and unprotected nature of work, lack of employment security and social security, use of labour intensive technology, lack of support from Government, etc (Para.7.18).<sup>2</sup>

This study holds that the term, informal workers, cannot simply be defined by the number of employees or the geographical location of an establishment, or the condition of employment. Instead, there should be a concerted evaluation of educational backgrounds of workers, their employability, the level of earnings needed to maintain living standards and the possibility of being protected by social security and legislation. In addition, the employment of informal workers — based mainly as it is on contract, irregularity and contingency — is not regulated and protected and their earnings are not sufficient to maintain decent standards of living. The informal sector means a segment of the entire informal economy, covering a unorganized industrial sector, while the informal economy is a macro concept, covering the whole unorganized sector.

Labour market flexibility in South Asia is high, as seen in Table 2.1, and job security and sustainable livelihoods are not guaranteed. Figures for 1999–2000 from India's National Sample Survey Organization (NSSO) indicate that the working population is 397.8 million, of which only 7.2 per cent (28.8 million) is in the organized sector, while 92.8 per cent (369 million) is in the unorganized sector. It is reported that some 123 million, accounting for around 31 per cent of the total population, are the working poor. Based on the report of the Labour Force Survey (1999–2000), Bangladesh is estimated to have a labour force of 46.3 million, out of which 75.3 per cent are in the informal sector and 24.7 per cent in the formal sector.<sup>3</sup> In Pakistan, out of the estimated 45.23 million labour force (2003–04), 70 per cent is in the informal sector and 30 per cent in the formal sector. The Population Census (2001) in Nepal states that about 9.9 million

**Table 2.1: Workforce in the informal and formal sectors in South Asia**

Countries/Year of data source	Number of labour force (million)	% of workforce in informal economy	% of workforce in formal economy
Bangladesh, 1999–2000	46.3	75.3	24.7
India, 1999–2000	397.8	92.8	7.2
Nepal, 2001	10.6	93.4	6.6
Pakistan, 2003–2004	45.23	70.0	30.0
Sri Lanka, 1996–97	66.6	69.9	30.1

Source: Data adapted from various sources, 2007.

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(93.4 per cent) of the 10.6 million economically active persons are engaged in various informal economic activities. The share of the self-employed in the total labour force is 62.7 per cent, that of paid workers is 24.6 per cent and unpaid workers 8.8 per cent, while 3.8 per cent are employers.<sup>4</sup>

Occupations in the informal sector are heterogeneous, ranging from those involving agro products to services such as transport, healthcare, hotel and restaurants, as shown in Table 2.2, which categorizes occupations by industrial segments. Several informal workers are engaged in small-scale production with indigenous or low technologies, producing low-quality products for mass consumers. Many are engaged in home-based work and family businesses without proper payment for their toil. The informal sector workers are unorganized and out of the purview of labour laws and, as a result, they are voiceless and have little representation in the society and economy. Needless to say, there is no proper statutory mechanism to regulate working hours, wages and social security.<sup>5</sup> Despite the vulnerable socio-economic status of the informal workers, the contribution of the informal economy to national economic development and employment generation is relatively enormous. In India, for example, this sector accounts for close to 65 per cent of GDP and 92.8 per cent of employment.

**Table 2.2: Segments of occupations in the informal economy in South Asia**

Industrial Segments	Occupations
Agro products	Farming, sugarcane, grape, tea leaf picking/ tea plant plucking, tobacco, food processing, poultry, cattle herders, dairy, bee farming, mushroom, flowers, etc.
Forestry	Kendu leaves picking, charcoal-making, etc.
Fisheries	Fishing, fish drying and processing, fish pickle-making, fishing net and boat repair, etc.
Manufacturing	Leather, textile and RMG, weaving, embroidery, goldsmiths/ jewelers, shoe-making, bidi-rolling, kite-making, printers/book-binders, etc.
Service providers	Transport workers, rickshaw pullers, loading and unloading, hawkers, barbers, beauty parlors, hotel/restaurant assistants, cinema workers, household workers, community centers, nursing, electric/ electronics, engineering, etc.
Construction	Stone quarrying, brick kilns, masonry, carpentry, welding, pipe connecting, wiring, etc.
Art skills	Brassware, tankha, bamboo, wood, clay and other handicrafts.

Source: created by the author.

Table 2.3 compares the benefits and protection enjoyed by workers in the formal and informal sectors. Lacking legal protection such as a letter of appointment and other forms of social protection such as fixed wages, regulated working hours, provision of social security and a collective bargaining

Table 2.3: Comparison of characteristics of the formal and informal sectors

Particulars	Formal sector	Informal sector
Job security	High	Low
Working hours	Fixed/ regulated	Not fixed/ not regulated
Wages	Regulated/ minimum wages	Not regulated/ no minimum wages
Social security including medical allowance and sick leave	Mostly provided	None or little
Labour laws including right to freedom of association and collective bargaining	Protective	No or little legal protection
Employee-employers relations with employment contract	Issue of appointment letter	Without appointment letter
Safe work environments <sup>6</sup>	Safer and securer working conditions	Vulnerable to dangerous and hazardous work
Unionization	Homogeneous, highly organized and better networked	Heterogeneous, unorganized and scattered

Source: created by the author.

right, the informal workers do not enjoy decent working rights. Importantly, informal workers without a letter of appointment are not recognized as workers whose working conditions have to be regulated by the labour laws.

## 2.2.2 Child labour in the informal economy

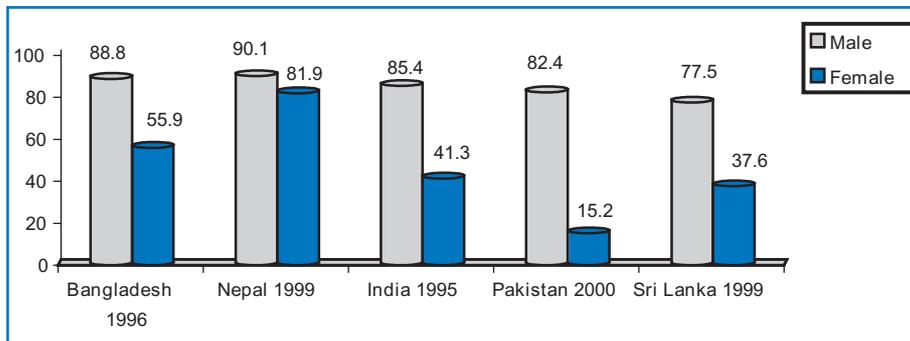
Child labour is common in the unorganized sector in South Asia. No child labour is found in large and organized establishments where unions exist and are proactive. In 2000, in Bangladesh, about 6.3 million children between 5 and 14 years of age were economically active. They constituted 19 per cent of the total population in this age group and 12 per cent of the total labour force.<sup>7</sup> Over 80 per cent of the child labourers are engaged in agriculture and some 4 per cent in the formal sector establishments where unions are not present. In Nepal, in 1996, an estimated 2.6 million children were working.<sup>8</sup> The Federal Bureau of Statistics in Pakistan reported 3.6 million children in full time employment in 1999, which is 9 per cent of the 40 million children in the 5 to 14 age group.<sup>9</sup> In India, the number of working children has reduced from 13.6 million in 1981 to around 12.6 million in 2001. Over 90 per cent of the child workers are employed in informal sectors like agriculture. Child labourers can be paid lower wages, replace adults at jobs, and undermine the bargaining power of trade unions. It is, thus, important for trade unions to monitor this phenomenon, by visualizing and expanding the representation of workers' organizations.

## Organizing for Decent Work in the Informal Economy

### 2.2.3 Women in the informal economy

Women's labour force participation remains low, compared to that of men. As Figure 2.1 shows, Nepal had the region's highest female labour force participation rate of 81.9 per cent in 1999 and Pakistan had the lowest rate of 15.2 per cent in 2000. The active participation of women in employment, especially educated and qualified jobs, has gradually increased. The economic participation rate of women in South Asia has greatly increased since the late 1990s. The labour force participation rate of women is generally higher in the rural areas than in the urban areas, as the majority is employed in the informal economy, mainly in the agriculture sector (70 per cent in Pakistan, 76.9 per cent in Bangladesh and 77.9 per cent in India). A large proportion of urban women do not make use of their qualifications due to the lack of employment opportunities in urban areas.

Figure 2.1: Women's labour force participation rate in South Asia



Source: ILO, *Global Employment Trends*, Geneva, 2003, P.57.

Many women are unpaid family workers and belong to the poorest paid group. In Pakistan, the majority of women are home-based workers accounting for approximately 77 to 83 per cent of all working women in the informal economy. The majority of the female workforce in South Asia is engaged in home-based work.

In India, despite the Constitution and other laws stipulating equal remuneration for men and women for work of equal value, women's wages continue to be lower than that of men. Women workers continue to be concentrated in low productivity, low income and low quality occupations marked by exploitative forms of employment. High levels of illiteracy, lack of access to skills development and education, weak economic status, household responsibilities and job segregation are factors restricting women's active participation in the economy and discouraging efforts to build their

competence levels. Women in the informal sector are further marginalized from the core of policy and decision-making bodies. Despite women's vulnerability to hazardous work, discrimination and physical harassment, their participation in trade unions is relatively low and rather marginal. Social, religious and cultural impediments prevent women from joining the unions. A male dominant culture of the leadership and practices in the union is responsible for the neglect of women's issues and their lack of integration within the unions.

### 2.2.4 Youth in the informal economy

More young people will enter the world of work in the coming decade. Youth are a very important asset for social and economic development as they are highly productive human resources. The growth-job disconnect and the continuous expansion of informal economy make young job seekers disillusioned. The unemployment rate among youth in South Asia, at 10.9 per cent in 2004, is much higher than the overall unemployment rate of 4.7 per cent.<sup>10</sup> The higher rate of youth unemployment is attributed to the lack of access to education and opportunities for upgrading skills. A large section of the unemployed youth is highly educated and qualified, but their skills and knowledge are not in tune with the needs of the labour market. The unemployment rate among graduates in India is 17.2 per cent as of 2004.

In Nepal, where underemployment and poverty levels are high and an environment conducive for business is missing, the youth are eager to emigrate in search for employment. Uneducated and unskilled youth are vulnerable to the open market economy, where the workplace culture is individualized. This makes them focus more on career development and economic achievement rather than union activities. As a result, the participation of youth in trade unions is low and is likely to decline further.

Responding to the challenges of high unemployment and underemployment among youth is a precondition for poverty eradication and sustainable social and economic development. Youth require better access to opportunities for quality education, job replacement services, and skill training and upgrading, which would enhance employability. The existing policies and activities of trade unions fall short in meeting the career development aspirations of the youth. Multiple methods have to be explored in order to involve youth in trade unions, such as holding cultural programs, demonstrations and seminars, launching campaigns and meetings with students as well as providing training for organizing the youth.

## Organizing for Decent Work in the Informal Economy

### 2.2.5 Wages and working conditions in selected informal sectors

This section illustrates the wage levels and working and living conditions in the shipbreaking and agriculture sectors in India and the RMG sector in Bangladesh and presents measurable indicators to analyze and compare decent work conditions in the selected informal sectors. It also provides real wage rate indexes in Sri Lanka during the period 1980–2001 in order to explain workers' wages and living standards.

#### *Shipbreaking workers in India*

The wages and working conditions of, as well as welfare measures for, shipbreaking workers in Daraukhana, Mumbai, was surveyed in 2003 under a pilot project of the International Metalworkers' Federation.<sup>11</sup> A total of 850 respondents took part in the survey. Around 90 per cent of the respondents said they had migrated from the agriculture-based states of Orissa, Uttar Pradesh and Bihar. They were largely young, skilled (61 per cent) and literate (64 per cent) and employed either on a daily or monthly basis or on a contractual basis. Barely 3 per cent of the workers interviewed had permanent employment. Officially, working hours were from 8 am to 5 pm, but carried on till 7 pm with two hours compulsory overtime every day. Workers got a one-hour break for lunch along with two 15-minute tea breaks at 10 am and 3 pm. The working hours and lunch and tea breaks were not standardized but varied according to circumstances. They were paid monthly at the daily rate. The wage rate for a gas-cutter (*battiwala*) ranged between Rs. 85 and Rs.120 a day depending on the season, availability of workforce and demand for steel in the market, whereas unskilled workers' wages varied from Rs. 30 to Rs. 45. They worked either as helpers to a gas-cutter, as loaders or movers picking up materials and steel plates from the ground and carrying them to the destination. Close to 64 per cent of workers surveyed earned between Rs. 2,001 and Rs. 4,000 per month, while 33 per cent of the workforce earned less than Rs. 2,000. The employment situation is getting worse, because the number of vessels entering the shipbreaking yard has reduced from 338 in 2001–02, to 300 in 2002–03, to 294 in 2003–04 and further to 196 in 2004–05 and because of this the volume of work has decreased during the period.<sup>12</sup>

No welfare measures were guaranteed, because medical expenses and social security were not considered the employers' responsibility. In the case of an accident, the owner provided first aid plus transportation to a hospital. Shipbreaking workers were also not provided with safety facilities such as goggles, helmets, safety shoes, masks and so on. Their living standards were pathetic, with most of them living in slums or godowns made of asbestos,

plywood and metal sheets. Some 95 per cent of the workers shared small rooms with three or four persons on average to cut their living costs. They did not have basic facilities like drinking water or toilets.

### *Migrant agriculture workers in India*

The AITUC conducted a survey among landless agriculture workers in the Machhiwara block of Bhatinda district in Punjab. Most of the 80 respondents were migrants from Bihar. It was found that they got employment for just 90 to 120 days in a year. Male agriculture workers were paid around Rs. 30 to Rs. 40 per day and female workers Rs. 15 to Rs. 20. Though the minimum wage fixed in 2000 was Rs. 1,749 a month, over 43.8 per cent of the migrant agrarian workers received less than Rs.1,500.<sup>13</sup> Some 13.8 per cent of the respondents received wages that ranged between Rs. 1,500 and Rs. 2,500. Around 40 per cent were paid between Rs. 2,500 and Rs. 3,000. Only 16.2 per cent received wages above Rs. 3,000. Often the wages were paid in an arbitrary manner and in kind — 2 to 2.5 kg of coarse grain for a day's labour. Around 67.5 per cent of the 80 respondents said they worked for nine to twelve hours, 16.3 per cent for over 12 hours and the remaining 16.2 per cent for six to eight hours.<sup>14</sup> As many of them are marginalized peasants in their native villages, they commonly live in the shadowed, unseen and untouchable domain.<sup>15</sup>

### *Ready-made garment workers in Bangladesh*

The RMG sector in Bangladesh employs around 2 million people and 1.6 million of them are women. The RMG sector involves textiles, weaving, knitting, sewing, and small-scale industries like label printing. The female workers are paid low wages, have long working hours, little protection of their safety and no formal contracts, and suffer from poor health. The national minimum wage of Taka (Tk.) 930 (US\$20 in 1994, but devalued to US\$15 in 2006) a month set in 1994 does not apply to casual and informal workers in the sector. Of the 120 respondents to a survey by BILS, 48 per cent could barely manage to meet their daily expenses with their salary. Therefore, in late 2006, the Minimum Wage Commission (based on its own analysis) proposed a new minimum wage — Tk.1,600 for the first year, going up to Tk.2,100 by July 2008. However, this has been opposed by both the garment workers' representatives, who are demanding Tk.3,000, as well as the factory owners' representatives who claim they cannot afford to pay these wages.

Though the workers were forced to work overtime, 60 per cent said they were not paid their overtime allowance regularly, while 23 per cent said they were not paid at all. The remaining 17 per cent were either satisfied or did not

## Organizing for Decent Work in the Informal Economy

answer the question. As many as 52 per cent of the respondents said their employers do not provide any maternity leave to female workers, even though labour law guarantees three months maternity leave. Most of the female workers spent very little money on food, after paying for accommodation and transportation. Only 20 per cent said they had some savings either in banks or cooperatives, while 79 per cent said that they did not have any savings. The garment workers in Bangladesh are caught in a precarious situation with a decline in real wages and rise in inflation. The workers' grievances against the autocratic management that ignores social compliance like implementation of the freedom of association and respect for labour rights is reflected in the recent flare-up of labour conflicts in the sector.

Table 2.4, which presents comparative data on workers' nominal wages (weekly and monthly) in 10 industrial sectors in Bangladesh, shows the difference in wages among different sectors. The average wages have been obtained by interviewing 208 workers from 10 different enterprises. However, the omission of vital facts like the employment size of the companies and each interviewee's service duration is a flaw, making analysis of data and comparison of wages among the sectors difficult. Nevertheless, the table shows that the monthly wage of garment workers, based on the results of interviews with workers employed in companies like Fantom Garments Ltd. and Lamia Fashion Ltd., was still lower than those in other sectors. Female employees with one or two years' experience, who had worked either as operators or as helpers in small garment factories or were involved in home-based work in Mirpur

Table 2.4: Average wages by industry in Bangladesh

Industries/ qualification	Mode of payment					
	Weekly, Taka			Monthly, Taka		
	Skilled	Semi-skilled	Unskilled	Skilled	Semi-skilled	Unskilled
Garments	–	–	–	4 375	2 458	1 800
Private companies	1 239 1	867	–	–	–	–
Medium	043	–	–	–	–	–
Multinational	1 247	950	–	9 615	5 050	–
Privatized enterprises	–	–	–	3 087	2 600	–
State-owned enterprises	1 095	775	–	4 887	3 476	3 250
Small	1 092	800	–	–	–	–
Tea	20	176	–	1 300	–	–
Teachers	–	–	–	–	–	9 610

Source: Nasreen Khundher, *Social Security System and Social Safety Net for Workers in Bangladesh*, Dhaka University, 2004, p.5.

district of Dhaka, managed to earn between Tk.1,200 and Tk.1,800 a month, including overtime payment. Workers are allowed to do a maximum of four hours of overtime work a day and 60 hours per month, but they work more than the permitted hours and the managers do not properly account for this.

### *Real wages in the private sector in Sri Lanka*

Table 2.5 explains real wage rate indices (1980–2001), for both workers under Wage Boards and in Central Government jobs in Sri Lanka. There was a sustained growth of wages in almost all sectors between 1980 and 1989, but real wages have declined in all sectors since the mid-1990s. Wages in the civil services have fallen since 1990 and wages in the private sector have gone down since 1995. In order to compensate for the decline or stagnation in real wages, many workers in the organized sector had to take up secondary earning activities.<sup>16</sup> The income of workers in the private sector still does not meet their basic needs for living. Trade unions claim that real wages have sharply declined due to inflation at 21 per cent. In fact, the Colombo Consumer Price Index released by the Central Bank of Sri Lanka was an average of 10.5 per cent between 2001 and 2006. This is quite high, as compared with the stable or declining real wage index.

Several trade unions jointly requested the Government to review a private sector pay increase of 25 per cent based on the national minimum salary of Sri Lanka, i.e., Sri Lankan Rupees (SRs.) 5,000, as proposed by the National Labour Advisory Council meeting held on 31 January 2007, as well as a special allowance

**Table 2.5: Real wage rate indices in Sri Lanka, 1980–2001**

	<i>Workers under Wage Boards</i>			<i>Central Government</i>		
	<i>Plantation &amp; Agriculture</i>	<i>Industry &amp; Commerce</i>	<i>Services</i>	<i>Non-Exec. Officers</i>	<i>Minor Employees</i>	<i>School Teachers</i>
1980	116	105	99	97	99	91
1984	108	79	83	100	113	105
1985	117	87	81	113	129	105
1989	126	97	71	114	128	106
1990	123	90	64	104	122	96
1994	129	87	68	109	121	93
1995	121	95	67	109	121	111
1999	112	83	56	96	103	81
2000	108	81	53	97	106	81
2001	97	76	54	101	115	84

Source: Central Bank of Sri Lanka, *Annual Report* (various issues), Sri Lanka.

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of SRs. 2,500.<sup>17</sup> This is a clear indication that workers' wages and their living standards have been downgraded by the negative impacts of globalization.

### 2.2.6 Legal and social protection in the informal economy

Existing labour laws and statutory social protection are not applicable to informal workers. In India, Industrial Employment (Standing Orders) Act, 1946 (last amended in 1983), the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (amended in 1988), Workmen's Compensation Act, 1923 (last amended in 1984), Equal Remuneration Act, 1976 (last amended in 1987), Minimum Wages Act, 1948 (last amended in 1984), Industrial Disputes Act, 1947 and Maternity Benefit Act, 1961 (last amended in 1988) regulate the terms and conditions of work and benefits, but they do not secure the employment conditions and rights of the informal workers. The Minimum Wages Act provides fixation, review and enforcement of minimum wages for both the Central and the State governments in respect of scheduled employment — 45 categories in the case of the Central Government and 1,424 in the case of the state governments. The Payment of Wages (Amendment) Bill, 2002 was introduced in the Rajya Sabha (upper house of the Indian Parliament) in May 2002 and the minimum wage ceiling was enhanced from Rs. 1,600 per month (Rs.66 per day set in February 2004) to Rs. 6,500 per month in 2006. There is no regulatory framework for minimum wages for the informal sector workers.

The Labour Act, 1992, in Nepal covers only workers in the organized sector and has a separate section on welfare provisions, which includes (i) social security, pertaining to gratuity, pension, compensation, provident fund and so on; (ii) holidays such as sick leave, maternity leave, public holidays, annual leave, and paid and unpaid leave; and (iii) other benefits including welfare fund, housing provision, medical care, rest room, day care center, canteen and so forth. Therefore, the bipartite partners (the trade unions and employers) have initiated discussions for labour law reform, which has been torn between the workers' demand for a comprehensive social security for informal workers and the employers' demand for enhanced labour flexibility. In order to make the existing labour laws applicable to the informal workers as well, it is mandatory to show an employment relationship, which imposes obligations on the employers.

In India, the various national social security schemes for the unorganized workers are not well known. Though it is a fact that informal workers lack social protection, some states in India have adopted some measures to protect these workers. A provident fund for unorganized workers is in operation in West Bengal and Tripura. Gujarat, Karnataka, Andhra Pradesh and Madhya Pradesh have established Welfare Boards for selected categories of informal workers.

## Chapter II

## Organizing as A Catalyst for Promoting Decent Work in The Informal Economy

Welfare Boards for construction workers, *bidi* workers, and agriculture workers have been successfully functioning in several states. Kerala has been a role model in operating a welfare society with 22 welfare boards, which benefit around 54 per cent (4,951,100 persons) of the total estimated informal workers (9,130,000 persons) in the state (Table 2.6). Some of these funds are statutory while the others are non-statutory. The Welfare Funds are mostly contributed to either by tripartite or bipartite partners. The National Commission for Enterprises in the Unorganized Sector (NCEUS) in India reports that the disparities between rural and urban areas and between men and women on

Table 2.6: Details of contributions under different welfare funds in Kerala, 2006

Fund	Government	Employer	Employees	Numbers covered (000)
Toddy tappers (liquor)	—	13% of workers' wages	8% of wages	41.3
Labourers	About Rs.4 000 000	Rs.8 per half year per worker	Rs.4 per half a year	508.5
Headload	—	25% of workers wages (incl. gratuity of 5%)	10% of the wage	80.7
Motor transport	—	13% of workers' wages	8% of the wage	52.4
Artisans	Rs.2 for every Rs.10 contributed by the worker	—	Rs.10 per month	211.8
Cashew	Double amount contributed by the employer	Rs.1 per worker per working day	50 paise per worker per working day	175.1
Khadi (cotton clothes)	10% of workers' wages	10% of workers' wages	10% of the wage	14.6
Coir workers	Double the amount contributed by workers	1% of the turnover	Rs.1 per month	200.0
Fishermen	Contributing pension & group insurance	Dealer - 1% of turnover. Vessel owner - Rs.1 to Rs.7 per month for 9 months. Net owner - Re.1 per month	3% of value of fish caught or 3% of wage and Rs. 30 per worker per year	220.6
Handloom	Double the amount for workers' and self-employed' contribution	1% of annual turnover or equal to workers' contribution	Rs.1 per month by a worker; Rs.2 per month by self-employed	24.9
Abkari workers	Rs. 100 000 for pension	15% of workers' wages	10% of workers' wages	2.0
Construction	10% of initial members' contribution per annum	1% of construction cost yearly (Rs.100 to Rs.1000)	Monthly in slabs of Rs.10, Rs.15 and Rs.25	1 070.9
				(contd.)

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Fund	Government	Employer	Employees	Numbers covered (000)
Agricultural	–	Below 1 hectare, Rs.10 per year and above 1 hectare., Rs.15	Rs.2 per month	1 840.9
Lottery	20% of members' contribution	–	Category A/B Rs. 15/10 per month	3.9
Auto-rickshaw	10% of members' contribution	Rs.10 per month per worker	Rs.20 per month	18.5
Anganwadi	10% of members' contribution	–	Rs.20 per month Rs.10 per helper per month	40.7
Tailoring workers	10% of the workers' contribution	Rs.5 per month per worker	Rs.10 by a worker; Rs.15 by self-employed per month	299.3
Bidi & cigar				39.0
Bamboo				11.5
Traders				61.4
Ration dealers				12.5
Co-op				20.6
<b>Total Nos. covered</b>				<b>4 951.1</b>
<b>Percentage</b>				<b>54.2</b>

Source: Government of Kerala, *Economic Review 2004*; National Commission for Enterprises in the Unorganized Sector, *Report on Social Security for Unorganized Workers*, Government of India, 2006.

several social indicators in Kerala are not very wide. This can be attributed to the State Government providing a range of protective social security measures, which cover an overwhelming majority of the population, especially the poorer sections.<sup>18</sup> The case of Kerala and a few other states in India give an insight to the welfare schemes for targeted groups in the selected informal sectors.

## 2.3 ORGANIZING AS A TOOL TO REBUILD TRADE UNIONISM

### 2.3.1 What is organizing?

What does 'organizing' mean for trade unions? Why is such a campaign so significant for both trade unions and the unorganized workers? The term 'organizing' is used in this study to mean a method to raise the consciousness

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of the informal sector workers through raising awareness, education, advocacy, vocational training, campaigning and networking as well as a method of increasing the organizational strength of trade unions by recruiting new members. Organizing will involve the following:

- First, an ‘organizing campaign’ can be defined as a way of enabling changes in the status of informal workers from social and economic exclusion to a recognition of their voice and giving them wider representation. Workers with heterogeneous interests can be consolidated under the umbrella of different forms of workers’ organizations such as cooperatives, associations and trade unions. There is no uniform method to organizing strategies. Various organizing strategies have been used and experimented with by different unions in different environments. These include awareness-raising programs, income-generating programs (IGPs), social mobilization, skills development and vocational training, study circles, summer schools, friendship houses, healthcare cooperatives and so on.
- Second, organizing is a way of socializing the unorganized groups such as youth, women and migrant workers. Trade unions are an instrument to provide the union members with education, collective bargaining, vocational training, legal aid, rights-based approaches and community mobilization. A sense of solidarity as salaried, paid or self-employed workers (or in a Marxist term, like white, grey and blue colors) can be generated to reflect their aspirations for improving working conditions and protecting labour rights.
- Third, organizing can be recognized as a long-term union investment for increasing membership. Organizing campaigns require an enormous amount of financial and human resources as well as organizational mobilization and leadership commitment. The sharp decline in the unionization rate and shrinking representation of unions in policy and decision-making bodies is a result of the unions’ failure to invest in organizing activities. Therefore, trade unions need to re-invent their organizing strategies just as the private sector does at the time of capital investment.
- Fourth, ‘organizing’ can become an important means of increasing a union’s numbers. It can become the cornerstone for consolidating the unorganized under different forms of workers’ organizations, as a tool to mobilize the disadvantaged and to address workplace-level pitfalls, and as a catalyst for promoting the goal of decent work of the ILO.

## Organizing for Decent Work in the Informal Economy

The ILO has taken the initiative to address the significance of the informal economy and labour issues notably, by exhibiting a 'Knowledge Fair on Decent Work and the Informal Economy' at the International Labour Conference (ILC) in Geneva in June 2005. At the conference, the experiences and lessons learnt from practices of ILO programs and activities were shared with the tripartite constituents. The report of the ILO Director General, *Time for Equality at Work*,<sup>19</sup> presented during the 91st Session of the ILC in 2003, describes the concept of organizing and stresses the need to change organizing strategies:

The motivation for organizing those without representation has not only been to increase membership but also to build wider alliances and to fight for social development. However, catering to the needs of such a multifaceted labour force requires a profound change in trade unions' organizing and alliance-building strategies, their institutional structures and services that they provide.

While sensitively and rapidly responding to changing trends of the global economy, the unions need to address issues pertaining to the sustainability of informal workers' daily livelihoods and their rights. Programs that are immediately able to provide economic benefits to workers need to be devised, as this would be a tool to draw in membership. The innate wisdom and institutional know-hows that trade unions have accumulated through a long history of the labour movement needs to be drawn upon to create and apply new ideas. The communication gap between trade unions and the informal workers is one of the constraints that have to be removed in order to reach out to the informal sector. Understanding the social ailments that afflict the informal sector, which are very different from issues that concern the formal sector, would be a starting point in the communication with the informal workers.

Organizing is, therefore, essential to maintain the strength of the union, to uphold its collective bargaining power, and to upscale its political influence. In order to start recruiting campaigns for new membership, innovative policies and strategies like service-based and rights-based approaches or a combination of both need to be devised with the empowerment of human and financial resources.

### 2.3.2 Weaknesses and strengths of trade unions in South Asia in organizing the informal workers

It has been observed that trade unions in South Asia have been tardy in adapting to the changing situation arising out of globalization. They have been slow in embracing new approaches to provide demand-based services for their members. Trade unions in the region face multiple challenges emerging not

only from external settings but also from internal ones. The latter relates to low union density, fragmentation and rivalry among the unions, lack of human and financial resources, political dependency, inefficient union management and lack of use of information technology. The external challenges relate to changing global markets along with supply chains and changes in employment relationship, increasing closure of the public sector, legal restrictions and continuous physical threats on union activities. The constitution and routine activities of trade unions, which are central to the formal sector workers, are barriers to breaking into the informal economy.

The major limitations of trade unions are:

- They are institutions primarily performing political functions together with economic ones. Trade unions in South Asia have limited influence in the political and economic arena due to their weak organizational structure and low competence in policy creation. The low unionization rate is regressive to the labour movement. The unionization rate in Bangladesh, India, Nepal and Pakistan is as low as 3 to 8 per cent of the total labour force. Only in Sri Lanka is it relatively high at 13 per cent. The politicization of trade unions in South Asia is not fully utilized as a means to fulfill the demands of rank and file members but their direction is likely to be influenced by politicians and party politics.
- The collective bargaining power of trade unions is severely constrained by the presence of multiple unions. There are over 20 registered federations in Sri Lanka (with 693,513 registered members in 1999), several in Pakistan (with some 1.2 million members as of 2005), 31 federations in Bangladesh (with about 2 million members as of 2005), eight federations in India (with a verified membership of around 20 million in 2006), and four federations (including the Maoist-oriented group) in Nepal that cover the small portion of the organized workers. The collective bargaining power is minimal or nil, as the vast majority of the informal workers are not unionized.
- The low recovery of membership dues in unions contributes to their weak position as they fail to be financially self-reliant, thereby leading to the further decline of ordinary union activities.
- The hostile attitude of employers and government authorities to union activities is another bottleneck preventing the natural development of unionism. According to an annual survey on the violation of trade union rights published by the ICFTU in 2006, 115 trade unionists were murdered globally for defending workers' rights in 2005, while more than 1,600 were subjected to violent assaults and

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some 9,000 arrested. Nearly 10,000 workers were sacked for their union activities and almost 1,700 detained.<sup>20</sup> In Bangladesh, the arrests of, physical threats to and deaths of union leaders and the violation of freedom of association is common. In Nepal, hundreds of unionists were arrested during the people's movement in early 2006.

- There is a need to change the male-dominant culture of the unions through women-friendly programs and a specific fund to support them. Tables 2.7 and 2.8 explain the participation of women in trade unions in Sri Lanka and Bangladesh at the level of nominal activities and decision-making. Table 2.7 shows that the membership of women in trade unions in Sri Lanka is high in the teaching and nursing sectors (74–95 per cent) and slightly over 50 per cent in plantations.<sup>21</sup> Among 416 senior decision makers in 10 central unions

Table 2.7: Participation of women in trade unions in Sri Lanka, 1997

Trade Unions	Membership**		Composition by occupation and sector	Executive/Working Committee		Women's Wing
	Total	Female %		Total	Female	
A	19 301	25	All sectors except Government	17	2	No
B*	n.a.	n.a.	Not homogenous in occupation/ Government sector	25	0	No
C	263 532	20	All sectors except Government	70	15	Yes
D	8 959	24	Homogenous in occupation/ Government sector	33	2	No
E	13 844	95	Homogenous in occupation/ Government sector	23	14	No
F*	n.a.	n.a.	Not homogenous in occupation/ Private sector	33	8	No
G*	n.a.	n.a.	Not homogenous in occupation/ Government sector	45	5	No
H	13 855	74	Homogenous in occupation/ Government sector	19	0	Yes
I	373 342	52	Homogenous in occupation/ Plantation sector	40	6	Yes
J	417 302	52	Not homogenous in occupation/ Plantation sector	54	5	Yes

Notes: \* Federations of trade unions; \*\* 1997 figures from records in Ministry of Labour.  
Source: Data adapted from Swarna Jayaweera, Thana Sanmugam, and Janake Abeywardene, *Women and Trade Unions*, Centre for Women's Research, 1998.

## Chapter II

## Organizing as A Catalyst for Promoting Decent Work in The Informal Economy

surveyed in 1996, 86.3 per cent were males, while only 13.7 per cent were females. Women's participation in the decision-making bodies of the unions is far lower, compared to the unionization rate for women. Only three out of 10 trade unions have a women's wing, dealing with women and gender issues.

- Orthodox leadership and inefficient union management are further pushing the labour movement backwards. Arguably, the caste factor and other social norms are reflected in trade unions in South Asia, in the sense that the leadership is hand-picked or has succeeded without a transparent process. Such a backward linkage triggers the loss of public support in campaigns and social mobilization also does not reflect the real needs of people at the grass roots level.

According to the data on women's participation in trade unions in Bangladesh (Table 2.8), the 13 national unions surveyed had a total membership of 1,301,732, of which only 7.2 per cent (181,642 persons) were women. Of the 410 executive committee members in these 13 unions, only 38 were women.

Table 2.8: Participation of women in trade unions in Bangladesh, 2004

Sl.	Names of Federations	Membership			Members of Executive Committees		
		Total	Women		Total	Women	
			Member	%		Member	%
1.	Bangladesh Mukta Sramik Federation (BMSF)	205 007	65 000	31.7	30	4	13.3
2.	Bangladesh Jatiyatabadi Sramik Dal (BJSD)	220 000	32 000	14.6	30	2	6.7
3.	Bangladesh Free Trade Union Congress (BFTUC)	106 150	22 650	21.3	30	4	13.3
4.	Bangladesh Labour Federation (BLF)	102 000	20 000	19.7	30	2	6.7
5.	Jatiya Sramik League (JSL)	215 000	10 000	4.7	30	1	3.3
6.	Bangladesh Trade Union Kendra (BTUK)	80 970	9 000	11.1	39	2	5.1
7.	Bangladesh Sanjukta Sramik Federation (BSSF)	249 616	4 999	2.2	30	1	3.3
8.	Jatiya Sramik Federation (JSF)	38 000	12 500	32.9	30	3	10
9.	Jatiya Sramik Federation Bangladesh (JSFB)	20 000	1 000	5	45	1	2.2
10.	Bangladesh Sramik Federation (BSF)	5 989	593	9.9	25	7	28
11.	Bangladesh Jatiya Sramik Federation (BJSF)	7 000	950	13.6	30	4	13.3
12.	Jatiya Sramik Jote (JSJ)	45 000	2 000	4.4	31	3	9.7
13.	Bangladesh Jatiya Sramik Jote (BJSJ)	7 000	950	13.6	30	4	13.3
<b>Total Nationwide membership, %</b>		<b>1 301 732</b>	<b>181 642</b>	<b>13.9</b>	<b>410</b>	<b>38</b>	<b>9.3</b>

Source: ILO-Dhaka, *Report of the Workshop on Enhancing Women's Participation in Trade Unions*, 8–9 December 2004.

## Organizing for Decent Work in the Informal Economy

Despite a shrinking organizational structure, a few trade unions in the world have constantly adopted new strategies to meet the emerging challenges at the national level. They sometimes evolve as an institution for economic development, social change and even democratization, as witnessed by the critical role of the labour movement in the contemporary political development of countries such as Brazil, Republic of Korea, Nepal, Poland, South Africa and Spain.

### 2.3.3 The role of trade unions in empowering the informal workers

The impact of the global economy, advanced technologies, the entry of civil society in the realm of union activities, negative perception of the people in the labour movement and changing workplace culture have led to modifications and innovations in collective voice mechanisms and representation of the labour movement. Trade unions also need to renew their infrastructure, value and leadership to effectively react to the new dynamics and, hence, to meet the needs and demands of grassroots level workers today.

Table 2.9 highlights the role of trade unions in empowering the informal workers, which could be accomplished by various activities relating to education, legal services, social dialogue with their counterparts, IGPs, provision of social security and organizing. Maintaining systematic and sustainable communications, conducting continuous awareness campaigns, and organizing regular education programs among the targeted sectors such as migrants, home-based workers and construction workers are essential strategies to reach out to the unreached masses. It is essential for each activity listed in Table 2.9 to have a concrete plan of action, identifying responsible persons within an union, a target group, geographical coverage, resources and timeframe for implementation, so that the end result can be tangible and measurable.

Sustained and innumerable efforts and investment have been made to reach out to women workers in the informal economy, resulting in visible outcomes in some cases.

- Trade unions in Bangladesh, for instance, have started organizing home-based and self-employed women workers. The Bangladesh Home-based Women Workers Association, established in 1995, is acting as a union association to protect the rights and welfare of the home-based workers. It has 64 district committees with 18,000 members and is affiliated to the International Textile, Garment and Leather Workers' Federation (ITGLWF) and HomeNet. Ashar Alo

Table 2.9: Role of trade unions in empowering the informal workers

Segments	Detailed activities
Education & research	<ul style="list-style-type: none"> <li>• arranging education/ training programs and discussion meetings</li> <li>• identification and solving problems</li> <li>• information collection and study in specific sector/ workplaces</li> <li>• collecting examples of good practices of organizing campaigns by various unions</li> <li>• publication of posters/ leaflets / booklets</li> </ul>
Legislation	<ul style="list-style-type: none"> <li>• legal support with the setting up of help-desks</li> <li>• amending union constitutions to include the informal workers</li> <li>• application of the national minimum wages</li> <li>• modernization/ reform of labour law</li> <li>• enact legislation for the informal and unorganized Workers<sup>22</sup></li> </ul>
Dialogue	<ul style="list-style-type: none"> <li>• including representatives of the informal workers</li> <li>• gain organizational/ political strength</li> <li>• lobby/ advocacy programs</li> <li>• media mobilization</li> </ul>
IGPs	<ul style="list-style-type: none"> <li>• forming self-help groups</li> <li>• self-sustainability through vocational training and skills development</li> <li>• forming cooperatives</li> </ul>
Social Security	<ul style="list-style-type: none"> <li>• monitoring the safety situation at workplaces and campaigning for safe work</li> <li>• establishing healthcare service centers<sup>23</sup></li> <li>• establishing welfare society/ cooperative-type organizations<sup>24</sup></li> </ul>
Organizing	<ul style="list-style-type: none"> <li>• organizing the unorganized/ informal workers</li> <li>• training of trainers (TOT)</li> <li>• establishment of the Informal Economy Support Unit</li> <li>• campaigning against poverty, child labour, gender inequality<sup>25</sup></li> <li>• issuing ID cards</li> </ul>

Source: created by the author, 2007.

Mohila Sangasta (AAMS) located in the Mirpur area of Dhaka organizes some 1,500 home-based women workers. The Bangladesh Jatio Sramik Federation (BJSF) started a special wing in 2004 to organize the home-based workers. The Bangladesh Home-based Labour Association (BHLLA), established in 2003 with the support of Bangladesh Labour Federation, has around 950 members mostly in Dhaka. The Self-Employed Union Bangladesh (SEU), established in December 2001, has 2,580 members (including 1,350 females). The activities of these home-based unions in Bangladesh are mostly focused on marketing products of their members and lobbying for social protection.

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- *Anganwadi* workers and helpers who provide childcare services at the community level in India are not recognized as employees of the government, but are identified as social workers. An *anganwadi* worker is paid Rs. 2,500 a month and a helper Rs. 1,500. The All India Federation of *Anganwadi* Workers and Helpers (AIFAWH), formed in 1989, has expanded its organizational effort throughout the country. *Anganwadi* leaders went from village to village in search of the *Anganwadi* centers, to understand the problems and resolve their problems in a collective manner. The launching of campaigns such as sit-ins, hunger strikes, rallies, public signatures and nationwide strikes that the AIFAWH has organized has paid off with around 250,000 *anganwadi* workers in 22 states being unionized.
- Each global union federation has come up with a unique approach introducing new working practices in response to the rapid spread of globalization. For instance, transport unions are increasingly organizing informal transport workers in mini buses, motor cycles, manual and auto rickshaws, tri-cycles, ports and so on. With the motto “mobilizing solidarity globally”, the International Transport Workers Federation (ITF) began to develop much more flexible systems of communications and stronger and deeper forms of interaction with its national affiliates.<sup>26</sup>

### 2.3.4 Replicable organizing strategies

Various strategies to reach out to the informal economy like forming self-help groups and cooperatives, information technology training, skills development, welfare measures, social mobilization, friendship houses, study circles and even union unity and unification have been explored and tried out in the field to revitalize the labour movement.

#### *The cooperative model*

A cooperative is an activity or a business in which people join voluntarily and have an equal share and profit from business activities. It is an autonomous and democratic workers’ association united voluntarily, which aims to primarily meet common economic needs and, sometimes, social and cultural aspirations. Varying forms of cooperatives serving specific purposes of consumers, labour, savings and credits groups, healthcare bodies and housing groups are present. The spirit of self-help and self-reliance among a group of people is the principle behind forming a cooperative and thus the profit

earned through the cooperative is equally distributed among the members on the basis of shares possessed. ILO/SYNDICOOP, a cooperative model, is implemented in Kenya, Rwanda, Tanzania and Uganda. The ILO, International Cooperative Alliance (ICA) and the ICFTU jointly initiated a move to promote cooperatives at the international level to improve the working and living conditions of the informal workers.

National trade unions, cooperative associations, informal workers' representatives and line ministries have jointly coordinated and implemented a pilot project, by forming a National Steering Committee as a managerial instrument. The SYNDICOOP model contributes to reducing poverty among unprotected informal workers like shoe shiners in Uganda.<sup>27</sup> Although there is a difference between cooperatives aiming at business activities and trade unions aiming at protecting workers' rights, cooperatives and trade unions can share common values in various areas. For instance, they can take joint actions in the areas of education and training, financial collaboration, child labour, poverty, gender equality, HIV/AIDS, environmental protection and so on. Trade unions and cooperatives can also work together with the informal sector workers to improve their working and living conditions.

In Pakistan, 41,256 cooperative societies — notably industrial, housing, consumer, farming and women's cooperatives — are registered with a total membership of 1,939,477 persons who own a share capital of Pakistani Rs. (PRs.) 412.967 million. Therefore, the promotion of cooperatives would be an effective strategy to institutionalize and economically empower a large number of the informal workers.

### *The study circle model*

The study circle model has been used by the Bangladesh Textile Workers League (BTWL) and the Garments and Textile Workers League (GTWL) in Bangladesh to organize workers in the textile, garment and leather sectors.<sup>28</sup> In this, a lead person individually contacts close friends or colleagues at a factory and forms a small study group to learn socio-economic and labour issues. At the first meeting, each member introduces herself/ himself to others to break the ice. The convener then introduces the objective of the study circle and the team appoints a rapporteur to take notes on discussions. At each meeting, a person who will play a leading role is selected on a rotational basis. A study circle can be managed with the principle of equal and active participation, action-oriented discussion, distribution of study materials, a summary of each session of the study circle and selection of topic for the next session. It can adopt different methodologies such as whole/ small group discussions, brainstorming, lectures, role play, case studies, a live story, field visits, reading,

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debate and problem analysis. In the end, all the members can gain confidence and knowledge on certain issues. Eventually, the members start studying labour problems and rights and form or join a trade union.

The Bhadrapur branch of the Nepal Trade Union Congress (NTUC) under the ILO/ACTRAV Organizing Program has adopted the study circle model as a strategy for organizing brick kiln workers in Jhapa district. The NTUC developed a booklet on study circles and trained 33 young workers in January 2007, who will go back to the workplace and start organizing their colleagues.

### *The self-help group model*

Promoting self-help groups (SHGs) is a good strategy for socio-economic empowerment of workers in the informal economy. It is a suitable model to meet the economic needs for the working poor, especially women. SHGs can serve the different needs of their members like savings and credit-oriented functions and business-oriented functions or a combination of these. An individual or a group can initiate the formation of a SHG with 10–20 people who will save a portion of their daily earnings. These pooled savings can be rotated among the group members to meet their immediate emergency and other development needs, thus helping meet their credit needs. The interest rate of loans from a SHG, which is decided by the group members, is normally lower than that charged by private moneylenders and banks. The savings of the SHGs can be utilized in more productive areas such as, upgrading skills of members and helping them start their own businesses, such as garments making with a sewing machine, street vending, large farming, animal husbandry or a micro-enterprise. Later, the SHG could be transformed as a cooperative, which can be collectively managed by the SHG members. Consumer goods produced can be marketed collectively and the profits shared equally among the members. In addition to the economic empowerment, SHGs can be used as a channel to interact with local government administration for statutory welfare measures. The function of the SHGs could gradually veer towards rights-based approaches through extended education programs, to function as a trade union.

The South Asian wing of the Building and Woodworkers International (BWI) based in Delhi has used a SHG model for organizing forest workers in the state of Orissa. The BWI, in partnership with the Orissa Kendu Patra Karmachari Sangh (OKKS) and Orissa Forest and Minor Forest Workers' Union (OFMFU), has been implementing an organizing project since 2005. It initially formed 15 SHGs with 195 members, 90 per cent of whom were women. After providing a short-term training on how to make saal leaf plates

and bowls, it granted 15 machines to the SHGs to manufacture these products. In 2005, the SHGs led by the OKKS manufactured 80,000 plates at a cost of Rs.120,000 and 506,000 bowls for Rs.60,000, while the SHGs led by the OSMFWU manufactured 624,000 plates costing Rs.150,000 and 430,000 bowls costing Rs.50,000. The unions collected the ready products and marketed them to agencies. The daily wage paid to the workers ranged between Rs.50 and Rs.60 on a piece rate basis, which is double than that paid by the private agencies. The profits from production were distributed among all the SHG members as annual bonuses at the end of the year. The project helped to generate alternative employment, safeguard the forest workers from exploitation by private agencies, and recruit new members into the union. The OKKS was able to increase its membership by 12,000 and the OSMFWU by 14,000. Therefore, SHGs are not only instrumental in empowering the poor but also in increasing the size of unions.

The “ILO/ACTRAV Workers’ Education Project” aims to empower rural women workers through improving their living standards and integrating them in workers’ organizations. The project has been operational since 2001 in Tamil Nadu and Madhya Pradesh (MP), India, with the partnership of seven local trade unions (five unions in Tamil Nadu and two unions in MP). The project appointed three in-service staff from each union, whose given task was to form SHGs. Once SHGs are formed, the members are engaged mainly in agro-based IGPs, such as cattle breeding, poultry, dairy, grocery shops, tailoring, gem-cutting, basket weaving, broomstick-making, charcoal-making, toy-making, vegetable-vending, potato chips-making, fish sales, dye units and so on. The project succeeded in forming 791 SHGs as of December 2006, which benefit 11,232 women members. All members of SHGs joined the unions.

### *The personal contact and welfare-aid model*

The International Metalworkers Federation pilot project “Organizing Metalworkers in India”, launched in July 2004 was able to organize around 1,100 shipbreaking workers in Maharashtra and Gujarat. The leaders of the Steel, Metal & Engineering Workers’ Federation of India — Maharashtra State (SMEFI-MS) and the Metal Port Trust General Employees’ Union (MPTGEU) in Gujarat opened a help desk at the entrance gate of the shipbreaking yards, which helped establish personal contact with workers in Mumbai and in Alang, Gujarat. The gate meetings familiarized workers with what the trade unions were doing while unions got to learn the key grievances of workers. The SMEFI-MS then started convincing the workers through welfare-oriented activities such as provision of potable drinking

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water, first-aid and ambulance services, training on occupational safety and healthcare service. The organizers also helped the shipbreaking workers obtain family ration cards from government authorities so that they could purchase grains and other materials at subsidized rates. The organizers often visited the sick and helped them. The unions also took up the basic problems of workers with the employers and encouraged workers to raise their voices against the feudalistic social and cultural practices at the workplace. The consequent improvement in living and working conditions started generating goodwill for SMEFI-MS and MPTGEU among the workers and they started joining these unions. Alang Sosiya Ship Recycling & General Workers' Association (ASSRGWA) was registered in March 2007 under the Trade Unions Act, 1926. The credit for this campaign's success goes to the organizing methods adopted by this union, that is, personal contacts and welfare-oriented activities based on shipbreaking workers' needs.

### *The friendship house model*

The National Workers' Congress (NWC) in Sri Lanka creates leisure and learning centers-cum-unions or so-called "friendship houses". The NWC is currently running three friendship houses located close to the export processing zones. The first friendship house was opened in Katunayake in the early 1990s, followed by others in Biyagama and Koggala in 1999. The NWC takes a step-by-step approach to bring female workers to the friendship houses and get the message of labour rights across to them. The houses offer a whole range of services from watching television, borrowing books or magazines, to skills development activities. The 15 full-time staff at the houses visit boarding houses, where a group of workers live at night or weekends, to tell the workers about the friendship houses and invite them over. Awareness-raising programs on economic literacy, human trafficking and the impacts of the MFA are sometimes organized at the boarding houses. Vocational training courses like beauty treatment, bakery, cookery, fabric painting and computer skills are arranged at the friendship houses to help workers prepare for self-employment after retirement or retrenchment in case of closure of the factory. Each vocational training course is organized for two to three hours on weekends for six months.

The biggest problem in mobilizing workers to join a union is their fear of losing their jobs. The friendship houses have a team of trainers constituting a lawyer, a retired labour commissioner and union leaders who conduct the classes concerning labour rights, labour law and the positive role of trade unions. The NWC achieved the recognition of a trade union for the first time

in 2003, after three years of recruiting the EPZ workers. It made seven collective agreements with the employers in Koggala and another four agreements are in the pipeline for signature.

### *The skills development and vocational training*

The 'ILO/ICFTU-APRO Project on Skills Development and Vocational Training for the Tsunami-affected People', which has been operational since September 2005, aims at providing tsunami-affected vulnerable people in the state of Tamil Nadu in India with skills for alternative livelihoods. The focus of the project — conducted in collaboration with Indian National Trade Union Congress (INTUC) and Hind Mazdoor Sabha (HMS), affiliates of the ICFTU-APRO (Asia & Pacific Regional Organization) — is to help the beneficiaries obtain sustainable employment and increase their income. It covers Nagapattinam district (adopted by INTUC) and Cuddalore district (adopted by HMS) in Tamil Nadu, which were the worst affected areas.

The unions' focal persons compile profiles of beneficiaries who are willing to take part in the training courses and submit these to the ILO. The profiles are then analyzed, so that interests and qualifications of the beneficiaries can be matched with the training components in the project areas. Training courses are of short duration, ranging from a month to six months, so that they can make the beneficiaries employable in a short time. As of February 2007, 15 training courses were held, which benefited 405 persons, (170 in Cuddalore and 235 in Nagapattinam). Seven courses benefiting 200 persons (60 in Cuddalore and 140 in Nagapattinam) are underway and 11 vocational courses to train 615 persons are being prepared. By June 2007, 1,220 people will be trained on 15 different skills, such as desk top publishing (DTP), welding, plumbing, toy-making, tailoring and export garment-making, PC professional, four wheel driving, beauticians, incense sticks-making, house wiring, electricians (motor rewinding), diesel engine mechanism, bench fitter, computer (DOA) and boat engine repair and maintenance. The project is the result of a three-way collaboration among the ILO, ICFTU-APRO and local unions (INTUC and HMS). This partnership has succeeded in empowering the beneficiaries and improving their confidence and employment opportunities as well as increasing union membership by exhibiting the positive role of trade unions.

### *The IT training model*

Union Network International — Asia & Pacific (UNI-APRO) and the Trade Union Solidarity Center of Finland (SASK) came forward to support a project in July 2004 to unionize business process outsourcing/call center

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(BPOCC) professionals, providing seed money to create the basic infrastructure and to organize meetings. UNI-APRO used survey data released by CNBC TV in India in December 2004, which showed that over 53 per cent of BPOCC workers contacted, recognized the need for trade unions to represent their interests. The basic strategy of the project was to establish contacts to connect the workers and finally consolidate the network into a trade union.

The UNI-APRO IT Centers set up in Bangalore and Hyderabad aim to bridge the digital divide, consolidate call center workers, and subsequently organize the unemployed youth. Its strategy has paid off as the Union for Information Technology Enabled Services Professionals, India, (UNITES) was formed in September 2005. In Bangalore, IT training courses are offered to either children of union members or those who are socially disadvantaged and economically backward. The Bangalore Municipal Corporation does the initial screening to determine if the beneficiaries belong to economically weaker sections or backward communities and then forwards their applications to UNITES. Each batch consists of 15 to 18 students. The IT training courses offer two modules relating to hardware and software. The duration of each module is about six months with classes of four hours duration held from Monday to Friday. At the end of the course, the Bangalore Mahanagar Palika (BMP) conducts an examination and successful candidates are given a certificate authorized by the BMP. Up to December 2006, 591 youth (342 males and 249 females) have been trained. Among them, 76 people have got jobs and 550 have joined the UNITES. Nearly 100 of the newly enrolled unionists have started paying their membership dues.

The Pakistan Workers' Federation also runs seven computer training centers, which are located in its provincial offices. The training program, which teaches software programming mainly to children of union members as well as non-members, aims to improve the technical competence of the potential labour force and help familiarize them with trade unions.

### *The social mobilization model*

The social and community mobilization model aims to empower the poor and the marginalized through sustainable socio-economic development activities, such as micro-finance and enterprise development, enhancing food security, provision of technical assistance and training. The target groups are first identified, a development activity designed and the objectives of the socio-economic development laid out. The first step is to improve the participation of beneficiaries with individual and family-oriented programs. Participation is not meant to be a passive exercise, driven by welfare assistance and short-term

benefits. Rather, it should be an active participation driven by motivation, long-term benefits and positive social changes. The second step is to sensitize people on the public distribution system (PDS), HIV/AIDS, gender and child labour and eventually mobilize them to find collective solutions at the community level. The third step is to initiate long-term community redevelopment plans, like renovating irrigation tanks and the construction of roads, natural disaster relief programs like earthquake relief entailing provision of essential items/basic needs such as food and water, management of sanitation, children's education, and constructing shelters, among other things. The National Rural Employment Guarantee Act (NREGA) in India, which ensures 100 days of employment for every poor household or equivalent income to the 100 days work, provides an opportunity to trade unions to make inroads into rural areas, by helping the poor and marginalized to claim their entitlements and form workers' organizations. Trade unions can play an external facilitator's role in furthering community development and poverty alleviation efforts.

### *The union unity and unification model*

A strong labour movement is necessary for achieving labour rights and social justice and union unity is necessary in order to reach that goal. The union unity and unification model is, therefore, proposed as an organizing strategy. In Pakistan, the merger and unification of All Pakistan Federation of Trade Unions (APFTU), Pakistan National Federation of Trade Unions (PNFTU) and All Pakistan Federation of Labour (APFOL) in September 2005 came about with the formation of the Pakistan Workers Federation (PWF), which unionized some 880,000 workers affiliated to 419 unions, and which emerged as a powerful force influencing polity. In Sri Lanka, the National Trade Union Federation (NTUF) was formed on 18 December 2005 with the coming together of five unions, namely Lanka Jathika Estate Workers Union, Jathika Sevaka Sangamaya, National Estate Services Union, Jathika Adyapana Sevaka Sangamaya and the Public Service National Trade Union Federation. The formation of the NTUF reinforces how integration of the working population through a common platform and banner can increase their collective bargaining power.

Even different from the South Asian context, Ver.di (United Public Services Union) is another example of union merger. The Der Deutsche Gewerkschaftsbund (DGB), a national union center in Germany, acts as a politically independent organization representing the social, economic and cultural interests of all workers. Between 1991 and 2001, the membership of DGB had dramatically declined due to the collective impact of globalization,

### Organizing for Decent Work in the Informal Economy

European integration, increased labour market flexibility, replacement of undertakings after the reunification of Germany and changes in individual values. Workers in the public sector faced enormous challenges due to privatization, cuts in public expenditure and downsizing. In order to effectively cope with the situation, the Ver.di project (United Public Services Union) was initiated to merge ÖTV (public service and transport), media, postal, commerce/banks/insurance and DAG (salaried workers).

The most difficult aspect of the merger was the adjustment of leadership positions in some geographical units of Ver.di, but an amicable, mutual compromise was reached. After Ver.di was formed, trade unions representing the public sector were largely divided among DBB (Deutscher Beamtenbund), Ver.di, police (GdP) and teachers' union. DBB has no rights to indulge in collective bargaining, while Ver.di was given the right to collective bargaining and go on strike. The political orientation and organizational culture was also quite different. The old organizations had their own identity and a new identity needs to be built across a very wide range of private and public sector activities. Police and teachers are affiliated to DGB but they do not have the right to go on strike. The employment status determines the possibility of some teachers being considered as civil servants. Ver.di emerged from the diversified views of segregated public sector occupations on various economic-political issues, which gave rise to the need to express collective views and to take collective action rather than compete unnecessarily with other unions. It was a top-down approach, with the leadership of the different branch unions negotiating the merger process and implementing it in a top-down fashion. The federations affiliated to DGB have reduced from sixteen to eight after the formation of Ver.di. This lesson on union unity and unification is applicable to the current scenario of the informal economy fragmenting the strength of trade unions. Some argue that the costs of merger are fairly high and the effect of the Ver.di has not actually been seen even after five years of the merger, though some very innovative campaign strategies, in particular for the retail sector, have emerged.

At the global level, BWI was created in Buenos Aires on December 2005 by two global union federations representing 350 trade unions with around 12 million members in 135 countries. The World Confederation of Teachers and the Education International (WCTEI) are proceeding towards unification as WCTEI. The merger congress of ICFTU and WCL held in Austria on 1–3 November 2006 led to the formation of the ITUC. Despite critical perspectives these send out positive signals for the convergence of the international labour movement and motivating the national labour movements. The convergence of trade unionism at the global level will also have an impact on structural changes in trade unions in South Asia. Union

unity and unification, which would consolidate union energy and be the basis for recapitalizing the labour movement, which could respond to the adverse impacts of the informal economy and changing environments of labour market institutions.

### *ILO/ACTRAV initiative with the Working Groups*

Organizing campaigns have been initiated by the ILO/ACTRAV (Bureau for Workers' Activities), the priority work of which for South Asia was related to organizing the unorganized. A series of workshops held with the collaboration of national unions in the region were aimed at disseminating various organizing strategies and methods, forming working groups and developing action programs. ILO/ACTRAV activities in South Asia are summarized in the Annexure 2.1. An organizing strategy adopted by ILO/ACTRAV is explained in detail in Table 2.10.

An ILO/ACTRAV-NCCWE joint project, implemented between July and December 2006, succeeded in forming four cooperatives with the membership of 336 informal workers, including 186 construction workers and 150 street vendors. The Cooperative in Kafrul Thana (zone), Dhaka, which was formed with 45 construction workers, has been proactive since October 2005. It has collected Tk.100 per share per month. It opened a small shop at the Co-op Secretary's residence, which sells household goods at cheaper prices. Profits created from the shop are saved in the Cooperative's account. The Cooperative

**Table 2.10: ILO/ACTRAV's organizing strategy**

Step	Actions
Step 1	The participants were empowered with comprehensive knowledge relating to the informal economy and its impact on labour. Organizing experiences such as personal contacts, training of trainers, social mobilization, forming study circles, summer school, healthcare services and IGP were exchanged. <ul style="list-style-type: none"> <li>Each working group, consisting of four to five members, developed its own work plan, identifying target people, numbers and area to be organized.</li> </ul>
Step 2	Follow-up actions were arranged with the same participants of the first workshop to articulate the implementation strategies of work plans.
Step 3	A small sum was sanctioned to support working groups' initiative and their work plan. <ul style="list-style-type: none"> <li>A person from each working group coordinates activities with federations and the ILO</li> </ul>
Step 4	Several studies on "Success Cases of Organizing the Informal Workers" were completed with the cooperation of national unions in India. <ul style="list-style-type: none"> <li>the dissemination workshops were held at national and state levels</li> </ul>
Source: Created by the author.	

## Organizing for Decent Work in the Informal Economy

in Manikgonj Thana, Dhaka, which was established with 40 construction workers, has collected a monthly subscription of Tk.50 per share since November 2005. “Nirman Shilpa Sramik Shamabay Samity” was formed with the membership of 101 construction workers in Shamshepara village, Chandgaon Thana, Chittagong. A monthly share of Tk.20 has been collected since October 2005. And “Paltant Ramra Hawkers’ Association” was formed in November 2005 with the registered membership of 150 hawkers. To enhance the accountability and transparency of cooperative management, the ILO in collaboration with Cooperative Associations in Dhaka and Chittagong provided all the members of the newly formed cooperatives with training on membership, accounting, auditing and reporting.

## 2.4 CONCLUSION

It is generally believed that despite positive developments in many fields, the trends of globalization have resulted in the downgrading of living and working standards of workers, especially in the informal sector, generating low quality jobs, and jeopardizing livelihoods. The labour movement has continued to decline, partly because trade unions have failed to adapt to changing trends in the global economy and neglected to invest in organizing campaigns. The primary challenge that the trade unions face is to develop a mechanism to strengthen the fragmented union organizations through a process of unification. The convergence of a few trade unions at the national and international level would be a new strategy to effectively respond to the informalization of employment and the networked and subcontracted global production system.

- In order to introduce an environment conducive to promoting decent work and labour rights, it is necessary to generate a bottom-up pressure from the disadvantaged groups. Necessary steps for policy review, social dialogue and security measures can be followed after the grass-roots level workers start mobilizing and motivating themselves.
- Organizing campaigns are a channel to mobilize people who are in need, and who could be helped through a collective action. Requiring as they do, substantial levels of manpower, financial resources and visionary strategies, organizing activities have to be a long-term and consistent investment strategy to address workplace issues, to awaken class consciousness among the unorganized, and to increase the membership of trade unions. ‘Organizing’ is the starting point for workers in the informal sector to implement freedom of association,

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ensure collective bargaining, and guarantee social protection for themselves. Therefore, organizing can serve as a catalyst for exercising the overriding role of trade unions and also fulfilling the ILO's Decent Work Goal, aiming at accomplishing the four pillars of work, which is rights to work, social protection for all, productive jobs and social dialogue.

- The infrastructure development of the union organizations and their capacity-building become preconditions for launching full-fledged organizing campaigns. Ensuring fair competition in union elections at all levels is crucial for changing the bottomline of labour movements and legitimizing union leaders' representation. Managing the union in a democratic way is a prerequisite to enhance the level of knowledge on workplace and socio-economic issues. Women, young people and migrant workers form the majority of the workforce and, therefore, integrating them in the union umbrella must be a prime task for energizing the labour movement.
- The effects of information technology and the internet in the workplace and on union activities are enormous. The installation of IT equipment in the union offices and IT training for full-time union officers will not only improve the communication flows between the national union centers and their affiliates, but also help make the union management transparent and accountable. Computer-assisted organizing campaigns would be affordable.
- After reforming their internal management systems, trade unions also need to design a roadmap for a new unionism, which should use multiple strategies including organizing campaigns, political engagement, solidarity at national and global levels, financial self-reliance, networking with civil society and research institutes, training and education, so as to enable them to reach out to the huge base of informal workers.
- Service-based or rights-based approaches or a combination of both need to be adopted in order to convince and organize the informal workers who desire economic empowerment and protective measures. Replicable organizing strategies highlighted in this chapter would offer added value to the existing experiences of individual unions.

## Organizing for Decent Work in the Informal Economy

### Notes

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## Organizing for Decent Work in the Informal Economy

### Annexure 2.1: ILO/ACTRAV-supported organizing activities

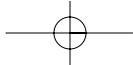
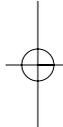
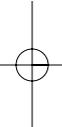
Countries		Training/Workshops	Follow-up activities	Results
Bangladesh	Chittagong	26-27 September 2004, Chittagong - 31 unionists (20 men and 11 women) trained	A follow-up workshop was organized on 17 May 2005. A follow-up workshop was organized on May 19, 2005.	(1) An ILO-NCCWE joint project, implemented between July and December 2005, succeeded in organizing 336 informal workers, including 186 construction workers and 150 street vendors. (2) The same project is underway for 2007
	Dhaka	29-30 September 2004, Dhaka - 21 senior unionists (12 men and 9 women) trained		
India	AITUC	The AITUC workshop was held in New Delhi on 8-10 March 2005, which 200 unionists from 14 states attended		(1) Four studies on success stories of organizing the unorganized were conducted in collaboration with national union centers. (2) All four national unions compiled and published the presentation papers. The working papers were widely distributed to affiliates and used for similar activities (3) CITU is undertaking a survey on home-based workers, which covers 10 states and aims to launch a ratification campaign for the ILO Home Workers Convention.
	CITU	The CITU workshop was held in New Delhi on 23-24 March 2005, in which 30 state-level leaders (18 men and 12 women) representing 13 states participated	The Unorganized Sector Coordination Committees were formed in a few states.	
	HMS	The HMS workshop was held in Sawai Madhopur, Rajasthan, on 30-31 March 2005, which 38 members of youth's and women's committee attended	Strategic Planning Meeting on Organizing Workers in Informal Economy, 30-31 Dec 2005, Gangapur Rajasthan, at which 39 unionists were trained	
	INTUC	The INTUC workshop was held in UP on 3-4 June 2005. - 28 unionists (18 men and 10 women) representing seven states participated		
Nepal	NTUC	NTUC conducted 20 workshops throughout the country in 2003, in which 600 unionists (including around 300 women) participated.	An ICFTU/APRO-ILO/ACTRAV Joint Project on NTUC Regional Organizing Campaign Program was launched. Six organizing	(1) The NTUC membership has increased from 50 to 312 in the cinema workers union, from

(contd...)

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## Organizing as A Catalyst for Promoting Decent Work in The Informal Economy

Countries		Training/Workshops	Follow-up activities	Results
			programs are being conducted in six regions.	520 to 2,732 in the rickshaw pullers union, from 550 to 1,955 in the printing workers union, and from 550 to 5,627 in the construction workers union. The construction workers union, the printing workers union and the rickshaw pullers union got affiliated to the respective global unions in 2005.
	DECONT	DECONT conducted two workshops	A follow-up workshop was held in April 2005	(2) An ILO/NTUC/GEFONT/DECONT Joint Project on Organizing Workers in the Informal Economy is underway with the timeframe of July 2006 - June 2007.
Pakistan	PWF	A seminar was held in Faisalabad on 20-21 September 2004 in which 29 unionists were trained	A follow-up workshop was held on 10-11 August 2005 with the participants of the first workshop.	(1) An ILO-PWF Joint Project on Organizing Informal Workers is being implemented.
Sri Lanka	NATURE	2-3 December 2005		(1) An ILO/ITUC/NATURE Project on "Trade Union Assistance to Tsunami-affected Communities; Making the Voice of the People Heard" is underway.



## CHAPTER III

# THE INFORMAL ECONOMY AND TRADE UNIONS: ORGANIZING METHODS

### 3.1 INTRODUCTION

The employment scenario in India suggests that the share of the organized sector has been declining and most of the employment generated is in the informal sector. A large chunk of informal employment is accounted for by self-employed workers, while the share of regular salaried and wage employed workers is quite low. Informal employment is also equally distributed between the rural and urban areas and, therefore, cannot be designated as urban-centric or rural-centric. However, in the case of agriculture, informal employment is naturally rural-centric. A large number of workers in the informal economy are actually under-employed, though they are categorized as employed. Their share in the below poverty line population is quite significant and they are unprotected by law as most of the labour laws relate to workers in the organized sector. Figures from the NSSO suggest that density of unions/associations in the informal non-agriculture sector is low, especially in the case of the women workers.

This paper aims to develop some practical methods of organizing the informal economy workers. It seeks to analyze the field-level activities initiated by trade unions to mobilize these workers, identifies the various issues that served as the rallying points for mobilization, the methods used for mobilization and organization-building and, finally, the outcome. This is essentially a micro-empirical study but it also analyzes some macro-level secondary data in order to contextualize it and derive some meaningful insights. The entire discussion is, however, geared towards delineating the elements of organization-building techniques of trade unions.

## Organizing for Decent Work in the Informal Economy

The study is based on primary and secondary data from four sample states in India — Bihar, Chhattisgarh, Karnataka and Maharashtra. The primary data was generated through intensive discussions with trade union leaders at the district and local levels, focus-group discussions with the workers as well as union office-bearers at the unit level and a series of discussions with the labour administrators at different levels. For secondary data, the study relies on trade union records and labour inspection records available with the concerned labour department offices of the state governments, trade union records including leaflets and pamphlets in the possession of the trade union leaders and cadres, macro-level economic and statistical data, and other relevant literature.

The first section examines the macro scenario in terms of the employment trends, employment size and industrial distribution, status of employment, quality of employment, legal framework and density of trade union/association. The second section discusses the state policy pertaining to the informal sector. The third section analyzes the formation and functioning of the unions. The fourth deals with the cooperative form of workers' organization and presents some success and failure models. The concluding section contains the lessons drawn from the study and recommendations based on the case studies of the emerging unions and the cooperative form of workers' organization.

## 3.2 THE INFORMAL ECONOMY AND TRADE UNIONS

### 3.2.1 Macro scenario of employment in India

#### *Employment trends*

Organized sector employment in India has witnessed a rapid decline, with virtual stagnation during 1994–2000. During this period, employment in the organized sector grew at only 0.56 per cent per annum as against 1.12 per cent in the unorganized sector. Much of the growth in employment was confined to only three sectors — trade, hotels and restaurants, and finance and insurance. Even in these sectors, unorganized sector employment recorded faster growth. The organized sector registered an employment decline of 420,000 in 2001–02. The manufacturing sector, generally considered to be the employment-generating sector, alone accounted for half of this. The NSSO's 55th round (half-yearly, based on a thin sample) has revealed that the small-scale sectors generated most of the new jobs, both in absolute numbers and in percentage terms.

### Chapter III The Informal Economy and Trade Unions

The future possibilities of employment generation also lie only in the informal sector. The report of the Special Group on Targeting Ten Million Employment Opportunities Per Year of India's Planning Commission analyzed in detail the potential for employment generation in the Indian economy. It came to the conclusion that given the present nearly zero employment elasticity of the organized sector and its very low employment intensity per unit of output, any improvement in its contribution, being nearly zero in both, in the total employment of the country, would be very marginal, by a few decimal points from the present level of 8–9 per cent of the workforce by the end of the Tenth Plan. It also came to the conclusion that even in the service sector, where the employment elasticity is high and increasing, the contribution and employment elasticity of the organized sector is very low.

#### *Employment size and industrial distribution*

The total number of workers (formal and informal) in India is 398.4 million, as of 1999–2000. Their distribution across formal and informal sectors, in different industrial categories, and the gender composition are presented in Table 3.1.

Table 3.1: Estimates of formal and informal employment in India, 1999–2000 (in million)

Industrial Category	Persons			Male			Female		
	Total	Formal	Informal	Total	Formal	Informal	Total	Formal	Informal
Agriculture	240.26	1.39	238.87	146.78	0.91	145.87	93.48	0.48	93.00
Non- Agriculture	158.18	26.68	131.50	127.56	22.31	105.25	30.62	4.37	25.25
Mining & Quarrying	2.26	1.01	1.25	1.87	0.94	0.93	0.39	0.07	0.32
Manufacturing	43.78	6.71	37.07	31.38	5.68	25.70	12.40	1.03	11.37
Electricity, Gas & Water	1.04	1.00	0.04	1.00	0.95	0.05	0.04	0.04	0.00
Construction	17.53	1.17	16.36	15.50	1.10	14.39	2.04	0.07	1.97
Trade, Hotels and Restaurants	40.86	0.49	40.37	35.67	0.44	35.22	5.19	0.04	5.15
Transport, Storage and Communications	14.63	3.15	11.48	14.20	2.97	11.22	0.43	0.18	0.26
Financial services	4.95	1.65	3.29	4.39	1.42	2.97	0.56	0.23	0.33
Community services	33.13	11.49	21.64	23.56	8.79	14.77	9.57	2.70	6.87
<b>All Sectors</b>	<b>398.40</b>	<b>28.07</b>	<b>370.34</b>	<b>274.34</b>	<b>23.22</b>	<b>251.12</b>	<b>124.10</b>	<b>4.85</b>	<b>119.25</b>

Source: National Sample Survey Organization, 55th Round (1999–2000), Department of Statistics Program Implementation, Government of India and Director-General Employment & Training (1999–2000), Ministry of Labour and Employment, Government of India

## Organizing for Decent Work in the Informal Economy

As the table shows, 240.26 million workers are employed in the agriculture sector and 158.18 million in the non-agriculture sector. Within agriculture, only 1.39 million are in formal employment and 238.87 million are in informal employment. Similarly, 26.68 million non-agriculture workers are in formal employment against 131.50 million workers in informal employment.

Thus, within the total workforce of 398.4 million, only 28.07 million workers (7.05 per cent) are in formal employment and as many as 370.34 million (92.95 per cent) are in informal employment. The bulk of informal employment — 64.49 per cent is in the agriculture sector and only 35.51 per cent is in the non-agriculture sector

### Employment status

Table 3.2 shows the distribution of non-agricultural informal workers by their employment status. Self-employed workers constitute 60.3 per cent of this segment, of which own-account workers comprise 44.7 per cent, unpaid helpers 14.5 per cent, and employees only 1.2 per cent. Regular salaried/wage employees account for 18.7 per cent of informal non-agricultural workers and casual workers 21 per cent. The gender divide is wide, though rural-urban disparities are negligible.

Table 3.2: Percentage distribution of workers in the informal non-agricultural sector by employment status, 1999–2000

Employment Status	Rural		Urban		Combined		
	Male	Female	Male	Female	Male	Female	Persons
Self-Employed	22.8	8.7	23.3	5.4	46.2	14.1	60.3
Own Account Workers	19	4.1	18.4	3.1	37.4	7.3	44.7
Employees	0.3	0	0.8	0	1.1	0.1	1.2
Unpaid Helpers in Household Enterprises	3.5	4.6	4.2	2.2	7.7	6.8	14.5
Regular Salaried/Wage Employees	4.9	0.7	10.9	2.2	15.8	2.9	18.7
Casual Workers	10.5	2	7	1.5	17.5	3.5	21
<b>Total</b>	<b>38.3</b>	<b>11.4</b>	<b>41.2</b>	<b>9.1</b>	<b>79.5</b>	<b>20.5</b>	<b>100</b>
Total Number	(40.3)	(12.0)	(43.4)	(9.6)	(83.7)	(21.6)	(105.2)

Note: Figures in the parentheses are in millions.  
Source: National Sample Survey Organization, 55th Round (1999–2000), Department of Statistics & Programme Implementation, Government of India.

## Chapter III The Informal Economy and Trade Unions

The NSSO has defined own-account workers as self-employed persons who run their enterprises without hiring any labour. They could, however, have unpaid helpers to assist them. Helpers in household enterprises are defined as those self-employed persons who work only with family members, either full-time or part time. Such family members do not receive any regular salary or wages. According to the NSSO, over 93 per cent of own-account enterprises work with only two or fewer unpaid helpers.

### *Quality of employment*

The quality of employment in the informal sector is so poor that not only the casual workers, but also of the self-employed and even regular wage or salaried workers are below the poverty line. Casual workers account for 55 per cent of the below poverty line households in the rural areas and 50 per cent in the urban areas. Among the self-employed workers, 22.5 per cent are from below poverty line households in rural areas and 26 per cent from urban areas. Even those with regular wage or salary employment constitute below the poverty line households — 15 per cent in the rural areas and 11 per cent in the urban areas.

### 3.2.2 Exclusion from labour laws

The existing labour laws are mainly relevant only to workers in the organized sector, which covers only a very small section of workers. This contributes to the vulnerability of the informal sector workers. This is obvious from the provisions governing the applicability of the laws — be they wage-related, welfare-related or social security-related — all of which assume an employer-employee relationship and a legally designated workplace. These laws also reflect a gender bias, as there is an exclusion of women workers to some extent. This issue is discussed below in the context of specific legislation.

*The Minimum Wages Act, 1948:* This Act is applicable to only 'scheduled employment', that is, employment specified in the schedule, or any process or branch of work forming part of such employment. The recommended guidelines for fixing of minimum wage under this Act suggest that a wage earner has to support three consumption units — himself, his wife and two children. The multifarious types of work in an informal economy may not form part of a scheduled employment and, hence, such workers remain unprotected under this Act. Also, the consumption unit as defined under the guidelines does not reflect the reality.

*The Payment of Wages Act, 1936:* It is applicable to only an 'industrial establishment' or a 'factory' as defined in the Factories Act, 1948. So, if a workplace does not come under the definition of a factory, the Act does not apply.

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*The Industrial Disputes Act, 1947:* The Act applies to an ‘industry’ which is engaged in any systematic activity carried on by the cooperation between an employer and workers for the production, supply and distribution of goods and services. While an employment relations law must have an employer-employee relationship, the insistence on a systematic activity carried out by the cooperation between an employer and an employee excludes a large mass of workers from the purview of the Act. In the informal economy, there are many jobs that not only show casual and contingent employment, but where production of goods and services is seasonal in nature. Besides, the Act does not cover, with an exception of some cooperative farming, the vast mass of the agriculture workers.

*The Factories Act, 1948:* The Act regulates welfare, safety and health, sanitation, etc. It is applicable only to persons working in factories as defined under the Act — premises of units with 10 or more employees if using power and 20 or more employees if not using power. This definition does not cover a workplace not meeting the requirement of a factory as defined under the Act, leaving the informal economy workers unprotected.

*The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952:* This is an important social security legislation but excludes workers in the informal economy because it applies to selected industries and classes of establishments employing 20 or more persons.

*The Employees’ State Insurance Act, 1948:* It is applicable only to a ‘factory’ as defined under the Factories Act.

*The Contract Labour (Regulation and Abolition) Act, 1970:* Under this Act, a worker is defined as contract labour only if he or she is recruited through a contractor. The application of the Act is also restricted to establishments in which 20 or more workers are or were employed as contract labour on any day of the preceding 12 months. In reality, many contract workers are directly engaged by employers. There are smaller units which may not recruit 20 or more workers even for a single day, but do employ contract workers.

*The Maternity Benefit Act, 1961:* The Act is mainly applicable to a factory, mine or plantation and to every shop or establishment (within the meaning of any law in relation to shops or establishments in a state) in which 10 or more persons are employed or were employed on any day of the preceding 12 months. Any other establishment is, therefore, out of its purview.

### 3.2.3 Union/association density

The NSSO data of 2001 gives estimates of the workforce reporting the presence of the union/association (irrespective of their membership) as well as the workforce reporting membership of the union/association. These

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Table 3.3: Percentage of workers in the informal non-agricultural sector reporting presence of unions/associations and their membership, 1999–2000

Sectors	Absolute number of reporting workers	Workers reporting (in percentage)			
		Presence of Unions and Associations	Membership of Unions/Associations		
			Male	Female	Total Workers
Mining and Quarrying	26 178	14.74	9.9	0.4	7.97
Manufacturing	793 824	15.53	8.6	5.4	7.57
Public Utilities	17 817	45.86	41.6	–	41.57
Construction	157 128	11.37	4.1	2.3	3.9
Trade, Hotels and Restaurants	1 028 900	17.24	10.3	3.2	9.4
Transport, etc.	935 218	31.36	21.6	10.4	21.44
Financial Services and Real Estate	189 681	28.56	23.4	16.2	22.74
Community, Social and Personal services	378 990	17.42	13.8	4.9	10.49
<b>Total</b>	<b>3 250 450</b>	<b>17.57</b>	<b>11.0</b>	<b>4.7</b>	<b>9.71</b>
Total number			(9.2)	(1)	(10.2)

Note: Figures in the parentheses are in millions.  
Source: National Sample Survey Organization, 55th Round (1999–2000), Department of Statistics and Programme Implementation, Government of India.

estimates cut across industrial categories and gender. However, the survey does not provide the figures in respect of unions and associations separately. The data pertains to any registered/recognized body which is engaged in a specific activity or trade and the main objective of which is to look into the interests of its members. Thus, it is obvious that the data available is an aggregation of trade unions and an association of owners and of employed persons.

Table 3.3 shows the percentage of workers in the informal non-agriculture sector reporting presence of trade unions/associations and their membership as of 1999–2000. As regards membership, barely 9.7 per cent of the workers are on the roll of trade unions and associations. A total of 17.57 per cent of the total informal non-agricultural workforce report presence of unions/associations. It is notable that the membership of union/association is disproportionately low in those industrial categories where the share of informal employment is high. For example, the union/association membership in the informal manufacturing sector is only 15.53 per cent and trade, hotels and restaurants 17.24 per cent. The presence of a union/association in the construction sector

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is as high as 31.36 per cent. The male membership of trade unions/associations in non-agriculture sectors accounts for 11 per cent, whilst the female members, being 4.7 per cent, lag far behind the male membership.

The data in Table 3.4 on the share of the male and female workers out of the total workers reporting membership suggests a negligible share in the case of female workers, accounting for 9.8 per cent of the total membership. Even in growing sectors like construction, the share of male and female workers is 94.4 per cent and 5.6 per cent respectively.

Table 3.4: Percentage distribution of male and female workers out of those reporting membership

Sector	Male	Female
Mining and Quarrying	99.0	1.0
Manufacturing	77.7	22.3
Public Utilities	100.0	0.0
Construction	94.4	5.6
Trade, Hotels and Restaurant	95.8	4.2
Transport etc.	99.1	0.9
Financial Services and real estate	93.6	6.4
Community, social and personal services	82.7	17.3
<b>Total</b>	<b>90.2</b>	<b>9.8</b>

Source: National Sample Survey Organization, 55th Round (1999–2000), Department of Statistics and Programme Implementation, Government of India.

### 3.3 STATE LEVEL POLICY ON INFORMAL ECONOMY WORKERS

This section provides an overview of the policies enunciated and being envisaged by the sample states — Bihar, Chhattisgarh, Karnataka and Maharashtra. It looks at the institutional arrangements to protect workers in informal employment, implementation strategies for an effective labour administration system beneficial to those workers and the proposed legislations specific to the needs of such workers.

Bihar has a separate directorate for agricultural workers and it has decentralized and simplified the process of registration of agricultural workers' unions. It has also adopted a taskforce approach for intensive inspection under the Minimum Wages Act and the Bihar Shops and Establishments Act, 1953. Chhattisgarh has drafted a Bill to extend social security to informal sector workers. The Government of Karnataka has also

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drafted a Bill which intends to provide social security and also seeks to make a few existing important legislations applicable to the informal sector workers. The Bill proposes to set up an appropriate authority for the administration of social security measures. Maharashtra has constituted a three-tier structure for the formulation, guidance and implementation of policy relating to informal sector workers. The state has also extended the provisions of the Factories Act to those smaller units which employ a minimum of five workers in a manufacturing process carried out with electricity.

Trade unions trying to organize the informal economy workers must take note of such state-level interventions, as the declared policies of the state and the proposed legislations can create a favorable situation for organization building. Labour laws and labour policies have, historically, been both the causes and consequences of trade union movement. The laws and policies for the organized sector workers have been the result of a long and sustained movement and have, at the same time, helped strengthen the movement. One of the greatest handicaps trade union leaders faced in organizing the informal economy workers is the absence of a legislative back-up from which they can derive strength. Hence, it is important for the trade unions to demand state legislations that are appropriate to informal economy workers and also to work for their effective implementation.

A snapshot of the state policies and the proposed legislative interventions is given below. This is intended to impress upon the trade union leaders the need for their participation and involvement, along with other social partners, in the enforcement of the declared policies, scrutiny of the proposed bills and their specific enactment.

#### 3.3.1 Government of Bihar

*Separate directorate for agricultural workers:* There are a large number of labour inspectors under this directorate exclusively for the agricultural sector. One of its important functions is to organize rural awareness camps for agricultural workers and to facilitate organization-building. The awareness camps are held for five days, preceded by a pre-camp survey, during which a group of suitable participants who can be developed as resource persons for organizing the agriculture workers is identified. However, in recent years, this important activity has virtually ceased due to budgetary constraints.

*Simplification of the process of registration of agricultural sector trade unions:* Earlier the trade union registration in both agricultural and organized sector was done at the state headquarters. Now the government has decentralized the process of registration of unions of agricultural workers by vesting the Labour Superintendent of each district with this power.

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*Policy of zero tolerance zones:* The Labour Department has, in recent years, initiated the policy of identifying the areas with poor labour standards and declaring these as Zero Tolerance Zones (ZTZ). A taskforce approach is being followed in these areas and groups of inspectors are being deployed for conducting intensive inspections. The labour inspectors are to concentrate initially on the enforcement of the following two laws — the Minimum Wages Act, and the Bihar Shops and Establishments Act, 1953. It intends to protect the wage labour in small units.

*Display of prescribed forms:* All the prescribed forms (under the Bihar Shops and Establishments Act) are displayed at prominent places in every establishment in the Zero Tolerance Zones. They include the registration certificate of the establishment, the notice of weekly closure, working hours of the employees and the notice of weekly rest day. Officials also ensure that employees are provided with job cards and that all other compulsory service conditions are complied with.

*Immediate legal action on violation:* If any violation is detected, a warning is initially issued to the employer in the first instance. Subsequent violations entail legal action, including claims in case of payment of less than minimum wages to the workers and prosecutions in case of violations of other sections of the Act. An employer is not provided any opportunity to defend himself/herself if a warning was already issued earlier.

*ZTZs inspection report:* The experiment of ZTZs has shown some encouraging results, going by data on labour inspection of the last five years. Table 3.5 shows the enforcement of labor inspection under Bihar Shops & Establishments Act as well as under Minimum Wages Act, which results in providing a great number of job cards and ensuring the minimum wage. It presents the data on the cases of prosecution filed and job cards given under the Bihar Shops and Establishments Act and also the cases of claims filed and

Table 3.5: Labour inspection in zero tolerance zones

	1998–99	1999–2000	2000–01	2001–02	2002–03
<b>Bihar Shops &amp; Establishments Act, 1953</b>					
Prosecution filed	421	529	471	714	1 657
Job card given	385	409	587	1 785	4 256
<b>Minimum Wages Act, 1948 (Sch-I, i.e., Non-agriculture Sector)</b>					
Claims filed	6 327	6 196	2 715	11 882	13 809
Prosecution launched	98	150	81	163	536

Source: Govind: *Zero Tolerance Zones — Beginning of a New Era* (Patna, Department of Labour, Government of Bihar 2004), mimeo.

prosecution launched under the Minimum Wages Act. The data tell the success of the ZTZ model in Bihar state, showing a positive increase every year. The workers who hold job cards do acquire strength in many ways.

### 3.3.2 Government of Chhattisgarh

Chhattisgarh has drafted the Chhattisgarh Employees' Provident Fund and Miscellaneous Provisions Bill, 2004. The Bill, which does not exclude the unorganized sector workers, envisages an Employees' Provident Fund (EPF) scheme, an employee's pension scheme, superannuation pension and permanent and total disablement pension, widow or widower pension, child pension or orphan pension payable to the beneficiaries of the employees, and employees' deposit linked insurance scheme.

### 3.3.3 Government of Karnataka

The Government of Karnataka has drafted the Karnataka Unorganized Worker's Welfare Bill, 2005, which seeks to provide for the welfare of unorganized sector workers in the state and regulate their conditions of service, including security of employment, health and safety (see Annexure 3.1). The Bill defines self-employed persons as those who are not employed by any anyone, but are directly engaged in any scheduled employment for his or her livelihood. This definition, therefore, includes 'home worker'. An "unorganized worker" has been defined as one who is engaged directly or through any agency or contractor in any scheduled employment. The employment may or may not be for wages. It includes any person not employed by any employer or his agent or contractor, but working with their permission or under an agreement with them. It also includes a person who is given raw materials by an employer/agent/contractor for altering or processing and registered as an unorganized worker under this Act, but does not include any member of the family of an employee. The Bill seeks to make the following Acts applicable to the unorganized workers: the Workmen's Compensation Act 1923, the Maternity Benefit Act and the Equal Remuneration Act.

The Bill also proposes to create a fund called the Karnataka Unorganized Workers' Welfare Fund and set up a Karnataka State Social Security Authority to advise the government on matters arising out of the administration of this Act or any other scheme under it. The authority may formulate specific or general schemes to provide for the registration of employers and unorganized workers in scheduled employments, terms and conditions of work and the general welfare and social security of the unorganized workers in scheduled employments.

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### 3.3.4 Government of Maharashtra

In order to achieve its goal of social justice and bringing the unorganized workers into the mainstream of the labour market and labour market institutions, the Government of Maharashtra has constituted a state-level high-powered committee (for policy formulation), a state-level council (to guide the high-powered committee on policy) and district-level executive committees (for implementing policy).

The state government has also conducted a survey identifying the different sub-sectors of the unorganized sector (excluding Mumbai, see Annexure 3.2). The survey has listed the occupations falling within the unorganized sector and the number of workers in each occupation (see Annexure 3.3).

Section 85(1) of the Factories Act, empowers state governments to notify the applications of the Act to units which employ a minimum number of five workers in a manufacturing process carried out with the aid of power. Maharashtra used this provision to bring a number of small power loom units under the purview of the Act. This was done after it was noticed that in many cases employees falsely claimed to work only with family members running establishments with less than 10 workers (in which case the Factories Act is not applicable). Likewise, on the strength of a notification under Section 44a of the Shops and Establishments Act, establishments outside the corporation areas have been brought under the purview of the Act. The state's Labour Department has been made the enforcement authority of this Act in place of the municipal corporation, which was the enforcement authority earlier.

Thus, some of the initiatives taken by the state governments seem to be quite encouraging. The Government of Bihar deserves credit for introducing a separate Directorate for Agricultural Workers, simplification of the process of union registration, and an innovative method of labour inspection. The social security laws proposed in Chhattisgarh are a step in the right direction. The definition of the unorganized worker has been expanded in view of the heterogeneous nature of the sector and the proposed legislation. The proposed application of the Workmen's Compensation Act, the Maternity Benefits Act and the Equal Remuneration Act, under which there are several welfare and social security measures, are notable initiatives of the Government of Karnataka. Finally, the machinery for policy formulation, policy guidance and policy execution, extension of the scope of the Factories Act and the Shops and Establishments Act to cover informal economy workers and the enumeration of the industries and workers and self-employment occupations representing the different sub-sectors of informal economy, are remarkable exercises of the Government of Maharashtra. These

initiatives and proposals need to find a prominent place in the agenda of trade unions as well, with a view to ensuring the speedy enforcement of the state government agenda.

### 3.4 FORMATION AND FUNCTIONING OF THE UNIONS

This section covers a variety of issues pertaining to unions in the informal economy drawn from different occupations. The workers covered include bullock cart drivers, rickshaw pullers, auto-rickshaw drivers, power loom workers, loaders and unloaders, seed processing and packaging workers, casual workers in explosives factories, brewery workers, workers in stone quarries, *anganwadi* workers, Mid-Day Meal workers, hawkers and vendors and agriculture workers. These fall under the category of daily wage workers, piece-rate workers, casual workers, contract workers, migrant workers, female workers, self-employed workers and part-time workers.

Trade union density among power loom workers, who constitute a very large number, is negligible. On the other hand, loaders and unloaders, whose nature of employment is purely casual, show a reasonably high union density. So is the case with *anganwadi* workers and Mid-Day Meal workers. Union density among hawkers and vendors, who have no fixed place of work, is also high. Significantly, even rickshaw pullers, who are mostly migrant workers, show a very high union density.

The study examines the process of unionization and the organizational structure against the backdrop of issues relating to labour standards. The following issues are addressed: the methods applied to organize those workers, activities of the emerging unions, their mode of protests, their achievements and failures and the nature of the group dynamics. Each category is dealt with separately as a case study.

#### 3.4.1 Bullock cart drivers in Chhattisgarh

In Chhattisgarh, the transportation of paddy from the rural areas adjacent to the rice mills and Food Corporation of India (FCI) godowns has created an opportunity for bullock cart owners and drivers, who belong to the poor peasant and landless households. A majority of them are owners (who have purchased the carts and the bullocks with bank loans) and the rest are hired drivers. Quite a few of them are educated unemployed, youth. The need for forming a union was felt because of the unfair labour practices of the managements of the rice mills and FCI godowns, signifying a lot of decent work deficits.

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*Issues:* The managements used to fix the transportation rate per gunny bag so low that the daily income of the drivers remained much below the eight-hour minimum wage for unskilled workers. Although the system was piece rate, the workers were forced to transport and deliver a fixed number of gunny bags per day, resulting in unduly long hours of work without any rest. Payments were also delayed inordinately.

*Techniques of Organizing and Union Formation:* A few years ago, a bullock cart driver in a rice mill of Chhattisgarh district (then a part of the state of Madhya Pradesh) had taken the initiative of forming a union. He organized a series of meetings for raising the awareness of the bullock cart drivers about their exploitation and about the advantage of collective action. When, in retaliation, the employers stopped utilizing their services, a call was given to all the bullock cart drivers of the rice mills within a radius of 50 km not to supply their services to the rice mills. Since the leader himself was a bullock cart driver, his call got a favorable response. In due course, a reputed trade union in the area — the Chhattisgarh Mukti Morcha — strengthened this movement by providing leadership. However, the unionization process suffered a setback with the murder of the bullock cart driver and the union virtually remained defunct for quite some time.

A central trade union affiliate took up the task of reviving the union. To begin with, it held contact sessions with a group of active workers, following which individual contacts were established. A comparative chart was prepared depicting the improvements in the working conditions of the bullock cart drivers when they were unionized and the decline after the union ceased to exist. The new entrants became highly amenable to unionization and formed unions. This also influenced other workers, like rice mill workers, to form their own unions and pursue their union activities under a common banner.

Subsequently, two unions were formed — the Bailgari Pariwahan Sangh and Gariwan and Thelawan, which are both affiliated to a central trade union. They are active and work together in their respective areas of Kurud and Nagri in the Dhamtari district as well as the district headquarters. Some other branches are emerging in Rajim and Nayapara in Raipur district and in Mahasamund district.

The strengths of the unions are noticeable from the fact that the two unions command a membership of more than 50 per cent of the bullock cart drivers in their areas of operation. The membership has been showing a steady rise. The unions are also getting regular subscriptions from the members. The bullock cart drivers themselves are office-bearers of the unions. The affiliating union is in constant touch with the unions and provides necessary guidelines for union activities.

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*Forms of Protest:* The forms of protest favored by the unions are rallies, presentation of charters of demands, demonstrations and strikes.

*Performance of the Union:* The unions have been able to secure an increase in their piece rate wage and to end forced overtime transportation. They have been able to get their wage rates displayed on the premises of the rice mills and the FCI godowns. The unions extend support to the organized sector workers. They participate in strikes and demonstrations on larger economic issues staged by the organized sector workers in the district in response to a call by the affiliating union, as they did in a strike by electricity board workers. Several negotiations have so far taken place between managements and unions institutionalizing the process of negotiation and redress of grievances.

Yet, there are some serious flaws in their activities that are posing a threat to collective action:

- Members who are owner-drivers practically behave like employers. They pay only 25 per cent of the total receipts to the hired drivers and pay the helpers far below the minimum subsistence wage. In the event of any dispute, they arbitrarily dismiss the helpers. The situation speaks of a conflict of interest between the marginalized section of the self-employed workers and the equally marginalized section of wage workers whom they employ.
- There is also a lack of unity between the unions of the organized sector and those of the informal sector. While the bullock cart unions are made to participate in the demonstrations and strikes of the organized sector unions, there is not a single instance of the organized sector unions reciprocating the gesture.
- The strength of the bullock cart drivers' unions leads, at times, to the weakening of the unions representing other sub-sectors of the informal sector. In order to weaken the bargaining strength of the bullock cart drivers' unions, the mill managements invited the tempo drivers to transport paddy/rice. The tempo drivers, who have their separate union, responded and this resulted in confrontation between the unions. Ultimately, the bullock cart drivers' unions prevailed and thwarted the attempt by the management to replace bullock carts with tempos. Notwithstanding the fact that the action of the bullock cart drivers' unions to frustrate the design of the managements was desirable, such instances of confrontation point to the weakness of the trade union movement. The situation can only be remedied by trade union consciousness at a macro level and solidarity of the working class as a whole.

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### 3.4.2 Rickshaw pullers in Chhattisgarh

Chhattisgarh, like all other states, provides employment to a large number of rickshaw pullers. The rickshaw is a popular means of commuting in the urban, semi-urban and rural areas. The rickshaw pullers in Chhattisgarh are migrants both from within the rural areas of the state and from other states. A large number of them are seasonal migrants, who are unemployed during the non-agricultural season. Most of the rickshaw pullers are hired by the rickshaw owners on piece-rate contracts and have to settle the accounts on a daily basis.

*Issues:* The rickshaw pullers face harassment from the police and municipal authorities for parking their rickshaws in places not authorized by law. The space available in authorized areas has been illegally occupied by the rickshaw owners, who have constructed sheds. The rickshaw pullers also face harassment for constructing their hutments on public land. Town planning does not provide space for such service providers.

The monthly income of rickshaw pullers is much lower than even the subsistence level minimum wage. This seriously raises the issue of livelihood and survival. They are denied ration cards by the public distribution system on the grounds that most of them are migrants and, hence, have no permanent residential status. As a result, their consumption expenditure increases, which petty traders dealing in food grains, who also function as moneylenders, take advantage of. This results in a vicious cycle of poverty and indebtedness. In fact, with low income and lack of government policy on social security, such migrants are highly vulnerable to indebtedness, both at the place of origin and the destination. Since they have no ration cards, they are considered ineligible for finance from banking institutions for purchase of their own rickshaws. There is no protection when they meet with accidents causing injuries and even deaths.

*Techniques of organizing and union formation:* The leadership of a central trade union affiliate initially tried to organize a meeting of the rickshaw pullers, but got a very poor response. It then adopted a strategy of establishing contacts by visiting residences of rickshaw pullers, usually located in slums. This, too, was not very effective as there was lack of trust on the part of the workers. The leadership then started taking up problems relating to their living conditions, such as scarcity of firewood and kerosene oil, lack of ration cards, police atrocities and the like, with the authorities. Those agencies were responsive and this helped in establishing trust between the leadership and the rickshaw pullers. A number of meetings were held at which problems relating to both their living and working conditions were highlighted. The leadership also tried to break the dependence syndrome of

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the workers and made them realize that a union is an internal institution of workers and not an external institution. Finally, their unions were formed. Two unions — the Chhattisgarh Rickshaw Chalak Sangh and the Rickshaw Majdoor Congress — were formed, the activities of which were spread over a few districts of Chhattisgarh, particularly Bhilai, Durg Rajnandgaon and Raipur.

As a result of a conscious decision, the office-bearers of the unions are largely from the rickshaw pulling fraternity and include migrant rickshaw pullers as well. For instance, in one union, the president and one of the vice-presidents are rickshaw pullers. So the unions have not been heavily packed with leaders from outside the unions.

*Charter of demands:* The charter of demands on the union agenda are:

- ❑ Grant of ownership of rickshaws to the rickshaw pullers
- ❑ Issue of identity cards and licenses
- ❑ Provision of shades at rickshaw stands and shelters with provision of drinking water and toilet facilities
- ❑ Insurance against accidents
- ❑ Provision for old-age pension of Rs.500 for those who are 50 years and above
- ❑ Provision of uniforms
- ❑ Provision of loans for purchase of new rickshaws
- ❑ Provision for books and notebooks and free education up to Class 12 for their children
- ❑ Medical card for free medical and hospital facilities
- ❑ Housing provision
- ❑ Their enrolment as poorest of the poor for availing schemes for those below the poverty line
- ❑ Enrolment in the voters' list

The voting rights will understandably provide political strength to the rickshaw pullers and, hence, it is likely to increase their bargaining power.

*Forms of protest:* The forms of protest used are picketing, demonstrations and strikes.

*Performance of the union:* The greatest gain of the unions is the State Government's welfare and social security scheme, called Mukhya Mantri Shramvir Kalyan Yojana. This scheme, meant exclusively for rickshaw pullers, is the result of the union struggle. The nodal agency for its implementation is the Urban Development Department.

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The primary objective of the scheme is to extend social protection to rickshaw pullers and bring about their social and economic uplift. It involves the following:

- Identification of suitable space in the urban areas and construction of stands.
- Construction of shades in the identified places.
- Setting up of *dal bhat kendra* (lentils and rice centers) at some selected shades in order to provide cooked food at concessional rates.
- Annual medical check-up of rickshaw pullers.
- Provision of identity cards and uniforms.
- Registration of rickshaws and grant of licenses.
- Extending the social protection under the scheme called Mini Mata Shri Nirdhan Beema Yojana.
- Provision of loan and subsidy under the Swarna Jayanti Swarojgar Yojana and Antya Vyabshai Yojana to enable the rickshaw pullers to acquire ownership of rickshaws.
- Provision of basic facilities such as drinking water, rickshaw repair centers near the authorized shades.

The Mini Mata Nirdhan Beema Yojana has also been extended to rickshaw pullers operating in rural areas. Under this scheme a rickshaw puller contributes Rs.25 a year and the government Rs.75. The scheme is yet to be extended to the entire state and the unions are struggling for this.

Despite the membership drive following unionization, the numerical strength of the union is not significant. This is because many of the rickshaw pullers are migrants and stay at the place of destination only seasonally. Besides, they feel inclined to become members only when they see some immediate gains. However, there are some areas with high union density. For example, while only 50 out of 5,000 rickshaw pullers in Durg city are union members, all 10,000 rickshaw pullers in Bhilai district are members.

The rickshaw pullers have favorably responded to the call given by their unions to extend support to the organized sector workers' union and have participated in demonstrations and protests organized by the Bhilai Steel Plant (BSP) workers. However, there are hardly any instances of the organized sector workers participating in demonstrations and protests of the rickshaw pullers.

The rickshaw pullers unions are opposing the grant of licenses to auto-rickshaws, which brings them into confrontation with auto-rickshaw driver's unions. This is a cause for concern. Rickshaw pullers who have been able to own a rickshaw behave differently as soon as they acquire one.

### 3.4.3 Auto rickshaw drivers in Maharashtra

The auto-rickshaw drivers fall under two different categories — owner-drivers and drivers hired on a commission basis. They become victims to harassment by the police and the Regional Transport Office. They also face highhandedness on the part of those who have illegally occupied government land meant to be used as parking lots by the auto-rickshaw drivers. A large number of them happen to be migrant workers living in the urban slums, mostly as tenants. They face not only work-related problems, but also those relating to their living conditions.

*Techniques of organizing and union formation:* Maharashtra has a number of auto-rickshaw drivers' unions, only some of which are bona fide ones. The existing affiliates of the central trade unions did not have much difficulty in unionizing them. The owner-drivers did not have the fear of losing their source of employment and, hence, it was convenient for them to mobilize the hired drivers, who felt protected against victimization by vested interests. The owner-drivers saw, in this combination, an increase in their strength.

However, before the unions were formed, the central trade union affiliates organized several meetings in their areas of operation. In some places they were able to generate awareness about the fact that both the owner-drivers and the hired drivers had common problems and that the former should not feel and act superior. Creating such consciousness was considered necessary by the union leaders as they had experience of friction between the two. A number of unions gradually came into existence in different areas as a result of these methods. In addition, several other unions also emerged as a result of the demonstration effect. Some of the unions are listed below and in most of them the auto-rickshaw drivers themselves hold important positions like those of union president and general secretaries:

- Rashtriya Auto Rickshaw Sangathan
- Wadi Parison Auto Rickshaw Sangathan
- Nagpur Jila Auto Chalak Malek Mahasangh
- Orange City Auto Rickshaw Union
- Rashtriya Swatra Vikas Auto Rickshaw Sangathan
- School Auto Chalak Manch

*Demands of the union:* The unions raised the following demands:

- Protection of auto-rickshaw drivers from harassment by the police.
- Provision of loans from public financial institutions for purchase of auto-rickshaws on hire for self-employment.

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- Ban on six-seater auto-rickshaws within the corporation limits.
- Prohibition on issuing new auto-rickshaw permits.
- Ban on private auto-rickshaws (those plying without the valid permits).
- Replacement and cancellation of registration of 15-year old auto-rickshaws as decided by the authorities.
- The demands relating to social protection were:
  - Unemployment benefits.
  - Sickness, old age and death benefits.
  - Protection under the Workmen's Compensation Act in the case of death and disability due to accidents.
  - Provision of housing.

*Forms of protests:* The forms of protest include presentation of charters of demands, demonstrations, picketing, and strikes

*Performance of the union:* The most important achievement of the unions is that instances of police atrocities and harassment by the corporation authorities have reduced. The unions succeeded in their struggle against professional tax imposed on them since 1 April 2000 and the tax has been withdrawn.

Some of the auto-rickshaw drivers' unions do suffer from some weaknesses that are highly detrimental to the interests of not only their unions, but, more importantly, for the trade union movement as a whole. Some unions, particularly those with independent status, actually play the role of agents of those against whom the bona fide unions are fighting, be it the police, the Regional Transport Office or other vested interests. A confederation called Vidarbha Auto-Rickshaw Chalak Federation, formed in Nagpur, held a convention at Amrawati in Maharashtra on 27 February 2002. The federation invited Rahul Bajaj, a noted industrialist and a manufacturer of auto-rickshaws, to the convention. The idea was to create a market for Bajaj auto-rickshaws.

There is also a rural-urban divide. At times, auto-rickshaws with permits to operate in rural areas entered the semi-urban or urban areas. This resulted in confrontation with those operating there. In such a situation, the urban-centric unions joined hands with the transport and police authorities. Thus, rather than monopolizing the two segments of the labour markets, unions clashed with each other.

There are also several other instances of working class segmentation and clash of interests. There are several six-seater auto vans, which offer competition

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to the auto-rickshaws. Some auto-rickshaw drivers' unions want the transport authorities to not issue permits to the six-seaters, while others favor this. This has even resulted in litigation. The six-seater drivers filed a case in the labour tribunal against the order banning their vehicles within the municipal limits and got a stay order. However, the auto-rickshaw unions filed an appeal in the Mumbai High Court for revocation of the stay order.

The auto-rickshaw drivers also oppose Maruti vans plying as taxis within municipal limits. The Maruti van drivers are of two types — owner-drivers and hired drivers — and the latter view the opposition from the auto-rickshaw drivers unions as a threat to their livelihood. There is also conflict between owner-drivers and hired drivers of auto-rickshaws and they have confrontations even though they are part of the same union — Nagpur Jila Auto Chalak Malak Mahasangh.

The issue of the replacement of 15-year-old auto-rickshaws is also a bone of contention. The transport authorities have taken the decision to cancel the permits of all those auto-rickshaws older than 15 years. While the affected owners and drivers are opposed to this decision, others support it, as this would help establish their own monopoly. This is weakening the strength of the union. The unions vehemently oppose the renewal of permits and grant of permits to the prospective entrants, out of fear of competition. While it is true that a highly competitive labour market will adversely affect not only the bargaining capacity of drivers, but also their earning capacity, there is no denying that it contains the seeds of discontent and is bound to weaken the trade union movement.

#### 3.4.4 Power loom Workers in Maharashtra

Sholapur and Bhiwandi in Maharashtra have a high concentration of power looms. Though almost all the enterprises are liable to be registered under the Factories Act or Shops and Establishments Act, most of them are not. This is despite the fact that the state government has, in exercise of its power under the Factories Act, brought enterprises employing even five workers in a manufacturing process under the purview of the Act. Similarly, the state government has extended the Shops and Establishments Act to establishments outside the corporation area and vested the power of enforcement with the Labour Department instead of the municipal corporation. After an establishment has been brought under the Factories Act, the Shops and Establishments Act legally ceases to apply. However, field investigations reveal that inspections are still carried out under the Shops and Establishments Act only. Such definition implies that those enterprises which are not registered are actually not liable to be registered under the Factories Act and it ignores the

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ground reality that the owners keep the number low fictitiously, in order to escape the provisions of the law.

There are five broad types of enterprise ownership. Table 3.6 gives the ownership patterns and the status of employment of the workers in each of them.

**Table 3.6: Loom ownership pattern and employment status**

Type	Ownership of loom	Purchase of raw material	Ownership of premises	Status of Employment
1.	Proprietary	Self	Self	Hired casual workers
2.	Proprietary	Self	On rent	Hired casual workers
3.	Proprietary	Supplied by contractors	On rent	Family members, with three to four workers hired on a fairly regular basis
4.	Cooperative (general)	Supplied by contractors	Self + rent	Casual
5.	Cooperative (for people below the poverty line)	Supplied by contractors	Self	Casual

Source: Author's own construction based on qualitative data.

Similar employment relations can be seen in both the proprietary and cooperative firms — general cooperatives as well as cooperatives intended for people below the poverty line. Besides, in the cooperatives meant for the latter, the shareholders are not from the target group. They are instead monopolized by some vested interests.

*Issues:* The issues pertain to labour standards in different areas — Mujahide Millet (Nai Gaon), Balaji Nagar, Padma Nagar, Palwa Para, Kamba Panchayat, Mulchand Compound (*Katai Gram Panchayat*). These are:

- Wages far below the prescribed minimum wage:* The unorganized workers of the power loom sector fall under the category of scheduled employment for the purpose of the application of the Minimum Wages Act. Blatant violations of the Minimum Wages Act can be seen in all the locations of the study, irrespective of the ownership pattern of the looms. Male workers are paid on a piece-rate basis. If the prescribed piece-rate wage is paid, a semi-skilled worker working for nine hours will be able to earn Rs.110 per day and an unskilled worker Rs.78. In actual fact, semi-skilled workers get Rs.60 and unskilled workers Rs.50. Weekly holiday, as stipulated under the Minimum Wages Act, is non-existent.

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- *Wage discrimination in the case of women workers:* Women workers are also engaged on piece-rate for specific jobs such as twisting of yarn, winding the roll, clipping of clothes, winding, dyeing, sizing and cleaning of machines. Their actual wage is nearly half the actual wage of the unskilled male workers. However, even this low wage is not paid regularly. They are not paid if work halts due to power failure, which happens frequently.
- *Women workers denied maternity benefit:* Since the power loom establishments are not registered under the Factories Act, even though they have been brought under its purview, the Maternity Benefit Act remains, in practice, inapplicable to the women workers.
- *Delay in wage payment restricts the freedom to leave employers:* Wages are paid on a fortnightly basis. Workers are paid on the 25th of each month for work done from the 1st to the 15th and on the 10th of the next month for work done from the 16th to 30th. However, poorly paid workers do not have the capacity to remain without wages for 10 days every month. This has forced a number of workers to take loans from their employers. The indebted workers are not able to repay the debts and, hence, are not free to leave the employers.
- *Frequency of accidents at the workplace and lack of compensation:* There are frequent accidents resulting in injuries and even deaths. The accidents are caused by the shuttles which carry the thread of the weft between threads of the warp. These cases remain unreported and uncompensated. The Workmen's Compensation Act, earlier excluded the casual workers. But amendments that came into force in December 2000 brought them within the Act's purview. The amendments also enhance death compensation and compensation for total disablement. The amount of funeral expenses payable has also increased. But the power loom workers still remain excluded from these benefits.

*Techniques of organizing and union formation:* The existing central trade union affiliates occasionally took up general issues of the workers relating to their employment conditions with the labour department. This did not result in either trade union membership or even increased awareness. The workers, however, did require a supportive mechanism. What has happened is that some vested interests have formed a union on their own — the Powerloom Workers' Union — which is unregistered and independent. Workers approach the union individually on a case-to-case basis and are required to pay a one-time subscription. With the passage of time, the workers started getting disillusioned

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and they no longer have faith in the institution of the trade union itself. The workers perceive the union leaders as, at best, good or bad service providers. This negative image stems from the fact that the unions have not emerged from among the workers themselves, but have been imposed on them.

In the Padma Nagar area, the union president is the owner of a small grocery shop. Since his shop is located near the workers' homes, the workers are not only the customers of the grocery shop, but practically the buyers of the union services as well. Individual workers approach the union with complaints of short payment and delayed payment of wage, removal from employment, etc. The union charges its service fee and takes up the case of the aggrieved worker not with the employer, but with the labour administration. The central trade union affiliates are seized with the matter. To them, the problem is rivalry among the workers themselves, who are competing for jobs in a situation of surplus labour.

#### 3.4.5 Loaders and unloaders in Chhattisgarh

Chhattisgarh has a large concentration of rice mills and the two important agencies involved in this activity are the Marketing Cooperative Federation and the Food Corporation of India (to which the Marketing Cooperation Federation has rented out some of its godowns). There are 25,000–30,000 workers, called *hamal* workers, engaged in loading, unloading and the related work like cleaning of the rice. A large number of women workers have been engaged.

*Issues:* The workers are recruited through contractors who pay their wages. The contractors deduct their own commission, subjecting the workers to a wage cut. The workers earn Rs.40 to Rs.50 per day on a piece-rate basis, for which they have to work for 10–12 hours. This is much below the prescribed minimum wage, which is Rs.85 for unskilled workers. There are no social security measures. The women workers are subjected to discrimination in wages and those working on the night shift often face sexual harassment.

*Techniques of organizing and union formation:* The bullock cart drivers' unions in the rice mills made other categories of workers accept the idea of unionization. The affiliates of the central unions present in the different areas found it a favorable situation and they started interacting with some of the workers with leadership qualities. The workers came forward in considerable numbers to attend the meetings convened by the union leaders, who continued to provide leadership till the time the unions were formed. Once the unions were formed, the workers were made key office-bearers. Some of the unions and their areas of activities are: Bhilai Durg Hamal Union, Tolaiya Hamal Sangh (those who weigh the paddy/rice), Chhattisgarh Krishi Upaj

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Mandi Hamal Sangh and Talaiya and Reja Sangh. These unions are active in Kanker (headquarters), Durg, Balod *tehsil* (Durg district), Kurud *tehsil*, Dhamtari and Nagri (Dhamtari district), Rajim, Nawapara, Bag Bahara, Arang (all Raipur district), Mahasamund, Bilaspur and Bhakpara (Bilaspur district) and Rajnandgaon and Dongar Garhi (Rajnandgaon district).

*Demands of the union:* The unions have made the following demands:

- ❑ Direct recruitment of workers by the employing agencies rather than through contractors.
- ❑ Payment of minimum wages prescribed for this category of workers under the Minimum Wages Act.
- ❑ Ending the practice of night shift work for women workers.
- ❑ Introduction of provident fund schemes.
- ❑ Granting regular depot employees status to all workers holding job cards.
- ❑ Equal pay for equal value of work for all male and female workers.
- ❑ Provision of low-cost housing scheme for the workers.
- ❑ Pension scheme for the workers holding job cards.
- ❑ Introduction of group insurance scheme.
- ❑ Representation of central trade unions in the depot management.
- ❑ Representation of the registered trade unions on all the marketing federation committees.
- ❑ Revocation of the decision of the welfare board for introduction of electronic weighing machines in the depots of Raipur, Dhamtari, Nawapara, Rajnandgaon and Kurud, as it would render the manual labour jobless.
- ❑ Revocation of the decision taken by the management to transfer the depots to distant places where there is no union.

Thus, the demands of the bullock cart drivers' union are quite comprehensive. Significantly, they also demand the representation of unions on the depot management and on the marketing federation committees. The union has also taken up the issues of the contract workers employed in the BSP. The BSP has, on the one hand, offered voluntary retirement scheme (VRS) to its workers and, on the other, employs a large number of casual and contract workers. The union has calculated that the daily average expenditure for a regular worker was Rs.600, but only Rs.112 for casual and contract workers. However, the workers do not get the entire Rs.112, which is only the rate charged by the labour contractors. The contractor pays only Rs.40–50 to

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a worker. The payment is not made before the principal employer, as is required under the Payment of Wages Act. The labour contractors monopolize the labour supply by forming a cartel.

*Forms of protests:* The methods of protest used by the union are presentation of a charter of demands, picketing, demonstration, courting arrest and strikes

*Performance of the union:* The union has been able to wrest some concessions. As a result of its continuous struggle leading to strikes, the managements have been forced to negotiate. In some cases, the negotiations were also facilitated by the intervention of the District Collector. In one case, the union demanded settlement of the daily wage at Rs.50, which was less than the prescribed minimum wage of Rs.72. But the management violated this agreement after implementing it for one season. The union again forced the management to comply with the agreement.

In Bhilai, the union succeeded in getting provident fund paid to the workers. Initially, as a result of the union struggle, the management started deducting the workers' share of the PF from the contractors through whom the payment was made. However, the management did not deposit its own share into the PF accounts. The union has filed claims which remained pending for two years. However, with the struggle continuing, the management has started settling the claim cases, depositing the deductions and its own share into the PF accounts of the workers. As many as 300 workers are covered by the scheme. The practice of employing women workers in the night shift has been discontinued and sexual exploitation of women workers has come to an end.

The frequent change in the workforce has been stopped and payment of wages on piece-rate basis has been substituted by daily wage for eight hours of work and overtime for working longer. The workers, in response to the calls given by the organizing unions, also take part in strikes and demonstrations of the power sector workers.

In a situation of surplus supply of labour, competition in the labour market leads to conflict and even clashes among job seekers. Recently, 30 workers of a village in Dhamtari district had a violent clash with a group of workers belonging to a neighboring village. Some union leaders worked out a compromise and it was agreed that the two groups would be employed on alternate days. Thus, the unions, which are fighting against hire-and-fire practices and the high rate of labour turnover, have themselves created a situation of labour turnover on a daily basis. Similar conflicts of interest are evident between local workers and migrant workers, particularly in Bhilai, with the former creating entry barriers for the latter. The management takes full advantage of such conflicting interests and employs migrant workers, who

are either not unionized or are less unionized, in order to weaken the local workers. Such visible clashes of interest are also evident from the fact that the workers with job cards and those without job cards are at loggerheads, with the former preventing the supply of the latter. The management, taking advantage of this, deliberately pits one against the other.

Thus, rivalries between different categories of workers' — from different villages, migrant workers versus local workers, and those holding job cards versus those without cards — are highly detrimental to the solidarity of the working class as a whole and brings disrepute to the unions.

While the unions make *hamal* workers participate in the strikes and demonstrations of the power sector workers on issues like privatization of the power sector and in support of the BSP workers, these organized sector workers remain aloof from the strikes and demonstrations of the *hamal* workers. Such subordination of unorganized workers to organized sector workers goes against working class unity and is highly detrimental to the unionization process.

### 3.4.6 Seed processing and packaging workers in Maharashtra

Seed processing and packaging work is spread over the Wardha and Nagpur districts of Maharashtra. The units are generally located in the premises of the Maharashtra State Industrial Development Corporation (MSIDC). Besides processing and packaging units, there are research units that engage a large number of skilled workers. Women workers constitute 70 per cent of the unskilled workforce. The status of their employment is casual and contractual.

*Issues:* The hire-and-fire practices in the units result in high labour turnover. Some workers have been working for the last 15 years without an appointment letter. The minimum wage was as low as Rs.11 per day. The workers have to work long hours without overtime. They do not get a weekly day off and there is no social security.

*Techniques of organizing and union formation:* The Nagpur General Labour Union started the process of forming a union by asking women members to establish contacts with the seed-processing workers and motivate them for collective action. The interaction used to take place at the residences of the workers. The workers were also invited to visit the union office after duty hours. The program was designed so that their visit coincided with the meetings of the organized sector union office-bearers. Initially, the unorganized workers just observed such meetings. Later, the problems of the seed-processing workers were also discussed. The workers attending these meetings then spread the message of unionization. The number of such workers visiting the office of the trade union gradually increased. Many of

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them started coming with the general problems. Several more meetings followed before the union finally came into existence. The union office-bearers are mostly the workers themselves and a majority of them are women. The union density is almost 100 per cent. It is interesting to note that the majority of workers are casual and contractual and they became the pivotal force of the union.

*Demands of the union:* The comprehensive set of demands included regularization of all the workers in view of the regular nature of work, increase in wages, payment of monthly — instead of daily — wage, no wage cut for national holidays, provision of a lunch room and cycle stand, weekly rest and social security.

*Forms of protests:* In order to press for these demands, the union resorts to the following forms of protests: demonstrations (which continued for 15 days in one case), relay hunger strikes, fast unto death (which continued for 10 days at the factory gate in one case) and picketing (for four days each in two instances).

*Performance of the union:* The union has registered some gains in a short span of time. The wage has increased from Rs.11 to Rs.12, then to Rs.13 and finally to Rs.71 over a certain period. Provident Fund schemes and the system of bonus payments have been introduced. Cases of hire-and-fire have declined. The union enters into negotiations and signs agreements with managements. When some women union activists were dismissed, the management succumbed to union pressure and had to re-employ them after four months.

However, this has not deterred the management from its apathetic attitude and victimization of workers taking part in union activities. The women workers are yet to be regularized. In one instance, the management went back on assurances given. A major weakness is the fact that the research unit workers, who are educated and also unionized under the same union, do not show concern for the unskilled workers engaged in seed processing and packing. Their indifferent attitude is a deterrent to the unionization process and there is need to forge unity between the two.

#### 3.4.7 Workers in explosives factories in Maharashtra

Maharashtra has several factories manufacturing explosives that are used in the blasting of stones. Their production process involves manufacturing gunpowder with raw materials like sulphur, charcoal, gum, potassium, and nitrates. Safety fuses are manufactured from the gunpowder and cut for making coils, each of which is seven meters long. After that, bundles of 25 coils each are prepared and packed. The male workers are engaged in operating the

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machines and cutting the explosive coils. The women workers perform the task of coiling, bundling, and packing.

*Issues:* The workforce is largely casual and contractual and is paid wages much lower than the minimum wage. There are wage disparities between men and women as well as between those who hold job cards and those who do not. The non-card holder male workers get Rs.1,530 a month and females Rs.1,430 a month. Women are paid on a piece-rate basis for the specified output. There is no social security. Earlier, if a worker died due to an accident, hardly any compensation was paid, though it is mandated under the Workmen's Compensation Act. Provident Fund contributions are deducted from cardholders, but no slip is issued to them. Labour inspection is practically absent. Factory inspectors pay visits at times, but they are accompanied by the management officials and the workers are prevented from interacting with them.

*Techniques of organizing and union formation:* Workers of Rig Explosives in Nagpur have unionized under the banner of the Nagpur General Labour Union. It is the women workers, including migrant women workers, who took the initiative to form the union. They approached the Nagpur General Workers' Union after hearing about its success in the seed-processing industries. A meeting with the president and secretary of the Nagpur General Labour Union was followed by a general meeting of the workers, where a resolution to form a union was adopted. Thus, the union came into existence because of the consciousness of the workers and the spread of the message of the gains of unionization.

*Demands of the union:* The main demands of the union are regularization of casual and contract workers, equal wages for male and female workers and for those holding job cards as well as those without cards, no piece-rate wage and only eight hours of work, implementation of the law governing overtime work, provision for weekly holidays and leave, EPF and Employees' State Insurance (ESI) facilities for all.

*Forms of protests:* The forms of protest adopted are demonstrations, processions, presentation of a charter of demands, and strikes.

*Performance of the union:* The record of the union's gains has been remarkable. A large number of casual and contract workers have been regularized, working hours have been limited to eight hours and workers are granted weekly holidays.

However, the strength of the union also invites retaliation, as can be seen in the case of Abha Devi, a migrant labourer from Bihar who works in the factory along with her husband and is quite active in the union. One day, she was violently attacked by the supervisor and his men for no valid reason and her hand was fractured. When she, along with her co-workers, went to the

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police station, the police refused to register the case. The president of the affiliating union convened a press conference, produced the injured Abha Devi before assembled journalists, and issued a press note. The union also planned to issue leaflets and organize a big demonstration against such behavior.

Not many weaknesses have come to the surface so far. However, the union is not free from rivalry. The workers with cards, who are paid more, tend to side with the management, implicitly if not explicitly, on some issues, hampering the process of collective action.

### 3.4.8 Brewery workers in Maharashtra

Maharashtra has a large concentration of breweries making country liquor because the state grows sugarcane, oranges, grapes and other fruits, which provide the raw material. The breweries are mainly spread over the districts of Nagpur, Satara, Siddi, Aurangabad, Sangli, Sholapur, Nashik and Mumbai. A total of 36 licenses have been issued across the state for building breweries. The workforce comprises both men and women but some breweries, particularly Konkan Breweries at Nagpur, have a highly feminized workforce — more than 90 per cent of the workers are women. The employment is casual and contractual in nature.

*Issues:* The problems faced before unionization were the highly casual and contractual nature of employment with frequent resort to hire and fire. The management would often replace the existing stock of workers by an entirely new stock with work experience in other breweries. The nature of work was not fixed and workers were asked to perform varied work, from washing cars and serving tea to actual brewery work. Workers lacked social security, with no provisions for EPF coverage or ESI facilities. Wages were paid on a piece-rate basis. The output target was fixed very high but the wage level remained lower than the minimum wage. The payment was not made directly to the workers, but to the labour contractors, who deducted their own commission. There was a complete absence of labour inspection, which encouraged the exploitative practices of the management.

*Techniques of organizing and union formation:* The unionization process started in the Nagpur Distillery under the banner of the Nagpur General Labour Union. The leadership of a central trade union affiliate chalked out the strategy for organizing the brewery workers. The initial contacts with the workers were made by a group of the organized sector workers who were the office bearers of their own unions. They educated the workers about the gains of unionization by citing their own examples. Such worker-to-worker contact, even though they belonged to two different sectors, immediately helped in

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creating a conducive situation. This also helped the organized sector group of workers understand the specific workplace-related problems in general, and the enterprise-specific problems in particular.

After some time, this process was reversed and workers of a particular brewery enterprise were invited to meet the organized sector group of workers who had earlier approached them. A number of meetings were held in the office of the concerned trade union, which helped in establishing direct contact between the leadership and the group of workers. A trade union was formed in one unit of the brewery firm. In due course, the difference between the working conditions in the unionized firm and in those without unions became quite perceptible. The unionized unit, thus, served as a hub for the workforce of the nearby breweries. The workers, realizing the gains of having a union, took the initiative of approaching the first union. Eventually, the workers were able to register their union, named Vidharbha Beverage Mazdoor Union.

*Demands of the union:* The union relentlessly struggled against the 'decent work' deficits and put forth the following concrete demands: gradual regularization of the workforce, wages in accordance with the Minimum Wages Act, with payment being made directly to the workers, introduction of EPF and ESI schemes, no change in job profile and issue of identity cards

*Forms of protest:* The union resorted to different forms of protest, such as gate meetings, demonstrations at the work place, before the legislative assembly and at the gates of the breweries where there was no union and delegations to the Labour Office.

*Performance of the union:* The relentless struggle of the union resulted in a large number of workers being regularized and paid the minimum wage. Since the breweries were not a 'scheduled employment', the Minimum Wages Act was not applicable. It is due to the union pressure that the State Government issued a notification declaring employment in breweries as a 'scheduled employment'. Besides, EPF and ESI are being gradually introduced.

The unions are, however, not free from internal conflict and the management is taking advantage of this. For instance, after the initial success, the union represents the cases of the regularized workers to the exclusion of the casual workers, which sharpens the division between the two categories of workers. Taking advantage of this situation, the management is again employing casual workers. In the case of regular workers, men and women are being paid the same wages due to the union's efforts. However, the wage differential continues in the case of casual workers, as can be seen in Table 3.7, though both men and women get less than the minimum wage.

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**Table 3.7: Wages of male and female casual workers at Konkan Breweries (Rs.)**

Nature of Work	Male casual workers	Female casual workers
Bottle sealing	50	40
Labeling bottle	40	32
Washing of bottle	35	35

Source: Data obtained from the workers/union leaders.

However, it is interesting to note that even among the regular workers, there is a conflict between male workers and female workers, as found in the Konkan Brewery factory. Earlier, the management had engaged mostly women workers so as to ensure that unionization does not happen. But after a union was formed, the women workers themselves tried to bar the entry of male workers. When the management employed five male workers, the women workers, who were the authorized union representatives, protested. One of the women who led the protest stood on the machine, causing a shutdown for two hours. In retaliation, and with the support of the male workers, the management suspended her. It was only after the intervention of the Labour Court that her suspension was revoked. The reinstatement letter served by the management nevertheless indicates that an inquiry is proposed to be instituted.

There are also instances of patronage being provided by the management to the contract workers. Companies give contract workers interest-free loans in order to keep them at their beck and call. The unions also find themselves hampered by the Bombay Industrial Relations Act, 1946, and the Bombay Industrial Relations Rules, 1947, which stipulate that five union representatives are to be elected by the union members and only these five can enter into any negotiation with the management. Outside office bearers of the union cannot do so. Since the elected representatives are semi-skilled and unskilled workers, they find themselves unequal to the task without the aid and support of the external office-bearers. This provision of the Act places the workers in a disadvantageous position. The remedy is that they should be imparted training in negotiating skills.

### 3.4.9 Workers in stone quarries in Karnataka

The districts of Bidar, Bijapur and Gulbarga in Karnataka are known for stone quarries, spread over the areas of Sahabad, Sedam, Chitapur, Wadi and Chichroi. The highest number of quarries is in Gulbarga as Table 3.8 shows. These stone quarries provide limestone as raw material to the

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Table 3.8: Distribution of stone quarries

Sl. No.	Name of District	No. of Stone Quarries
1.	Bidar	21
2.	Bijapur	44
3.	Gulbarga	224

Source: Office of the Labour Enforcement Officer (Central), Gulbarga, Government of India, 2005

cement industries situated nearby. All the quarries are operated by the leaseholders.

The stone quarries come under the purview of the Central Government. There is no reliable data on the number of workers employed but a rough estimate suggests that the figure is sufficiently high — close to 10,000 in the state. Their employment status is entirely casual.

*Issues:* The issues the workers face relate to low wages, unauthorized wage deduction and accidents causing injuries and deaths.

*Techniques of organizing and union formation:* A few existing organized sector unions have only recently made a foray into this sector, starting the unionization process through the cement industry unions. Some of the stone quarry workers were invited to the union meetings and their problems discussed. However, it has not been possible to draw them into the fold of the cement industry unions. The trade unions have realized that the workers in the cement units and stone quarries are vastly different. They have now started making efforts to establish individual contacts with some of their cadres. One union is also preparing what it calls a core group in the medical and sales representative association to undertake the responsibility of organizing the quarry workers, among others.

#### 3.4.10 Anganwadi workers in Maharashtra

The Government of India launched the Integrated Child Development Scheme (ICDS) in 1975, initially in 33 blocks on an experimental basis. Later, the scheme was extended to the entire country. Several centers called *anganwadi* centers have been established. One main woman worker and a woman helper have been engaged for each *anganwadi* center. Called *anganwadi* workers, their job involves providing a nutritious diet to expectant mothers and those in the lactation period; pre-school informal education for children in the 3–5 age group; health services; nutrition and population control awareness education; maintenance of children's records; contact with the community and other miscellaneous duties.

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*Issues:* The *anganwadi* workers are treated as part-time employees and paid a paltry honorarium. The workers and the helper get Rs.500 and Rs.200 a month, respectively. The authorities feel that they can perform their task by putting in four hours a day. However, this is practically not possible, especially since the workers are assigned extra work relating to literacy, which they sometimes perform under the threat of dismissal.

The workers are not treated as regular employees despite the fact that a duly constituted official committee of the Government of India recruits them and the government supervises their work and takes disciplinary action against them. Since 1992–93, the government has been trying to transfer *anganwadi* work to the panchayats (rural local bodies) and non-government organizations (NGOs), which is bound to make them more vulnerable. Some states like Uttar Pradesh and Madhya Pradesh have already decided to do so, while Haryana, Punjab and Himachal Pradesh are following suit.

The *anganwadi* workers have to obtain certificates from the head of the panchayat in order to draw their honorarium and there are complaints of illegal deductions by the panchayat officials and even sexual harassment. Even the paltry honorarium is paid after several months, because financially strapped state governments transfer the amount payable to the *anganwadi* workers to some other heads of expenditure.

*Techniques of organizing and union formation:* The unionization of the *anganwadi* workers is the result of a long drawn battle, directed against the government agencies, both at the state and Central levels. Women activists of some of the central trade union affiliates started their activities with group meetings of the workers. They identified some suitable persons from them and trained them as resource persons. These resource persons were engaged in regular follow-up activities. In due course, national level federations were formed. This provided a platform for interaction among workers from different parts of the country, which further strengthened the movement. The issue of regularization of their services has also provided a motivating factor. In some places other techniques were followed. Some women activists organized cultural programs and, in the process, sensitized the workers in to forming a union. The formation of the federations further helped in the organizational process, as it contributed to wider dissemination of activities which helped in motivating workers to join the unions. The following unions, both at the state and central levels, came into existence: Maharashtra Anganwadi Karamchari Sangathan, Karnataka Anganwadi Workers Union, Anganwadi Sevika and Helpers Federation, Akhil Bhartiya Kamgar Mahila Coordination Committee and All India Federation of Anganwadi Workers and Helpers. The unions also have their units at the district and the local levels.

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*Demands of the union:* The demands of the unions are: granting *anganwadi* workers the status of regular government employees, higher wages Rs.2,500 for workers and Rs.1,500 for helpers, A system of upward mobility up to supervisory level, training of the workers, provision for the workers' accommodation and drinking water and toilets at the *anganwadi* centers, provision of pension and provident fund. They have also demanded that ICDS should not be handed over to NGOs, panchayats and Mothers' Committees.

*Forms of protests:* The unions have protested by presenting a charter of demands, demonstrations, negotiations and strikes.

*Performance of the union:* The relentless struggle of the unions is bearing fruit. In Maharashtra, the Minister for Social Justice and Women and Child Development entered into a negotiation with the Maharashtra Anganwadi Karamchari Sangathan on a charter of demands it had submitted. The government conceded some of the demands. The union had demanded an *ex-gratia* payment of Rs.980 for workers and Rs.500 for helpers on the eve of the Diwali festival. Following negotiations, the government agreed to pay Rs.500 each to *anganwadi* workers and helpers. The government also agreed to withdraw the ban on filling 50 per cent of the posts of supervisors and agreed to promote the eligible *anganwadi* workers. It was also agreed, in principle, to introduce a pension scheme and to set up a committee with officials as well as union representatives to examine the issue.

The Karnataka Administrative Tribunal had ruled against a petition filed by the unions that *anganwadi* workers are civil servants because the government has employed them. The tribunal has directed the state government to fix minimum wages. The unions are trying to ensure the state government complies with it at the earliest. The unions are also trying to put pressure on the government to implement its decision to fill up the vacant posts of supervisors through promotions. The honorarium amount has been increased. Maternity benefits, annual holidays, and festival allowance, have been introduced, selectively.

The joint struggle launched by the unions against the order of the Karnataka government to transfer the *anganwadi* centers to panchayats has proved to be quite successful. This recommendation had been made by a Task Force on Rural Development that the State Government had constituted. The government decided to give effect to this at a meeting of the panchayat chairmen on 23 January 2004. Pending the implementation, the state government issued a circular in May 2004 making it obligatory for the *anganwadi* workers to obtain attendance certificates every month from panchayats, which were empowered to sanction 20 days of annual leave to the workers. This unleashed widespread protests by the unions, which gave a call for a protest march at the district and taluk levels. The united struggle of the

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unions forced the state government to enter into a negotiation. Some of the conditions put by the government were not acceptable to all but one union and the government had to give in. The mobilization process continued. Around 9,000 *anganwadi* workers participated in a state-level rally to press for the withdrawal of the circular. Close to 200 workers from different districts took turns to participate in a picketing protest from 3–14 September 2004.

The union organized a state-level joint convention and decided to call for a one-day strike on 14 September 2004. The workers stopped sending the Monthly Progress Report (MPR) to the department and also boycotted the Pulse Polio campaign work assigned to them. Pressure was mounted on the union members to resume their duties and their salaries withheld. But they continued their struggle and eventually, the government convened a meeting with the unions to arrive at a settlement. It was agreed to amend the circular and withdraw the provisions about obtaining monthly attendance certificate from the panchayat and empowering it to sanction 20 day annual leaves to *anganwadi* workers.

Some rivalry between trade unions and NGOs is natural, as NGOs are not representatives of workers and, hence, are not accountable to them. Their accountability is to the funding agencies against whom they cannot struggle. In fact, NGOs themselves pay their own employees low wages and subject them to exploitation. Thus, NGOs become employers and this determines their consciousness as well. The opposition of the unions to panchayats in the rural areas and urban local bodies is also understandable, as these institutions, though they are grass root-level democratic institutions, do not represent the exclusive interests of the working class.

The rivalry between *anganwadi* workers' unions and Mothers' Committees may appear to be a bit perplexing. The proposed Mothers' Committees are supposed to have only those mothers who belong to the target group, that is, the deprived sections. But trade unions are apprehensive about *anganwadi* workers losing their jobs.

The merit of their arguments notwithstanding, the conflict of interest between the unions on the one hand and the mothers aspiring to form Mothers' Committees on the other hand is problematic. This obviously creates a social divide between the two sections of the same class.

### 3.4.11 Mid-day meal workers in Chhattisgarh

Under a Central scheme, Nutritional Support to Primary Education (popularly known as Mid-Day Meal scheme) introduced on 2 October 1995, all state governments provide mid-day meals to primary and secondary schools students from low income families, in order to attract children to

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school and retain them. Mid-Day Meal workers — all women — are appointed by the administration on the recommendations of the panchayats.

*Issues:* There are several issues that the Mid-Day Meal workers face. They are treated as part-time workers and paid a paltry sum of Rs.15 a day for eight hours of work. In practice, however, they work for longer hours. Even this paltry sum is paid after a gap of four to five months. The workers are also supposed to collect the firewood required for cooking the meals. In case they resist, the panchayats remove them from service arbitrarily.

For example, Chaiti Bai, of Jirrapore village in the Bastar district of Chhattisgarh, had been working as Mid-Day Meal worker since 1995. The ward member of the panchayat dismissed her and assigned the work to a women's self-help group (SHG). Her hut was demolished and she was forced to leave her village. She appealed to the district administration and secured an order for reinstatement. But the panchayat, in collusion with some vested interests, was reluctant to implement the order. A number of other women workers are facing similar situations because of the growing number of SHGs.

The issue that needs to be addressed is the rivalry between the unions on the one hand and panchayati raj institutions, local administrative bodies, proposed Mothers' Committees and NGOs, on the other. In the case of the Mid-Day Meal workers, it has been pointed out that the unions are opposed to the work being assigned to NGOs and self-help groups (SHGs). The unions have a point there. They argue that NGOs and self-help groups would turn the program into a profit-making venture and, hence, they would cut down either the quantity of the meal or compromise on its quality, or both.

*Techniques of organizing and union formation:* Initially, some trade unions in Chhattisgarh raised the issue of increasing the honorarium of the Mid-Day Meal workers, but this did not attract the workers. When the rallying point became the regularization of the Mid-Day Meal workers, it resulted in widespread mobilization as the workers struggled for employment. Besides, the leadership factor also helped achieve unionization as the women activists of some of the central trade unions easily established rapport with the Mid-Day Meal workers. Later, the unions also deployed male activists to identify clusters of villages where the workers reside. The union activists spent a lot of time in these clusters and motivated some of the workers to take up leadership for day-to-day activities. Two unions — Madhyan Bhojan Rasoiya Sangh, Kanker, and Madhyan Bhojan Rasoiya Shramik Sangh, Bastar and Kanker, were formed. These unions are active in Uttar Bastar and Kanker, which were formed when the Bastar district was divided into three separate districts. The unions are gradually spreading into all the districts of the state. The techniques adopted by these unions varied. Women teachers, who were union members of a central affiliate, were involved in motivating the workers as they were in

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regular touch with each other. Others, belonging to a union, became cooks and helpers under the *Akshara Dasoha* scheme and facilitated organization building.

*Demands of the union:* The unions have been fighting for the following demands:

- Regularization of the services all the Mid-Day Meal workers.
- Reinstatement of all workers who had been arbitrarily removed.
- Payment of the minimum wage prescribed for unskilled and semi-skilled categories of workers.
- Payment of wage through banks.
- Arrangement for providing firewood for the panchayats.
- Discontinuation of the practice of awarding the work to women's SHGs.
- Provision of health insurance.
- Compensation for those who meet with accidents while cooking.
- Provision of 10 days of casual leave per year.
- Training to chief cook to maintain day-to-day accounts of the scheme.
- Extension of the scheme to high school level and to private schools.

*Forms of protest:* The protest methods used are rallies, conferences, delegations (to the highest and bureaucratic and political levels), and strikes.

*Performance of the union:* Certain developments, like the clash of interests between panchayats and the unions, indicate signs of segmentation which could jeopardize the unity of trade unions. Panchayats are grassroots-level elected representative institutions. In principle, the executive body of the panchayats is based on positive discrimination as there is reservation for women, scheduled castes and scheduled tribes. But, in practice, panchayats represent vested interests and, hence, they tend to work against unions.

The move to replace the Mid-Day Meal workers with women's SHGs has led to a confrontation between the Mid-Day Meal workers' unions and the SHGs. This situation is viewed as quite serious, because it has cut across the gender issue as well.

The chairperson of the National Commission of Women (NCW) declared that the Commission is proposing to convert all SHGs, including Mid-Day Meal SHGs, into cooperative. In view of this, it may seem paradoxical that unions are opposed to SHGs (which are characterized by local initiatives and community action) and are more interested in retaining the wage labour employment status of the Mid-Day Meal workers. The unions, however, have

a point when they argue that the Mid-Day Meal scheme is aimed at providing the prescribed nutritious meals to the school children. If any profit motive creeps in, it would result in cutting down the mandatory quantity of the meal, defeating the very purpose of the scheme. The situation arising out of the acrimonious relationship between unions and panchayati raj institutions and SHGs needs to be addressed.

### 3.4.12 Hawkers and vendors in Maharashtra

Basai, Kastgari and Dumbili areas in Maharashtra are known for the way hawkers and vendors are well organized. During the 1990s, following the new economic policy and structural adjustment programs, a large number of workers employed in the organized sector were rendered unemployed. This contributed to the swelling numbers of hawkers and vendors, many of whom were educated unemployed youths.

*Issues:* Hawkers and vendors are often subjected to harassment by the police and municipal authorities due to their illegal status (because they do not have licenses and authorized premises). Their plight has further worsened due to judicial pronouncements barring hawking and vending within a 500 meter radius of railway stations and other specified places. The problems of the hawkers and vendors are:

- Their location in public places in urban centers, like market and residential areas as well as railway stations and bus stands, is declared illegal and they have to bear the brunt of action by local authorities like corporations and police. Town planning does not provide place for such categories of service providers.
- Since they do not have legally sanctioned premises, which they can use as collateral security, they are denied any credit by public sector financial institutions to start some regular business.
- A large number of them are women and their specific problems are not addressed by development authorities.

*Techniques of organizing and union formation:* Some of the central union affiliates and a few independent unions which collaborated with the hawkers and vendors tried to take up their cause, whenever they faced harassment by the police, municipal bodies and other civic agencies. This helped the unions to win the confidence of the hawkers and vendors and soon they themselves started approaching the union leaders whenever they felt the need. The union leaders organized a few meetings of the representatives of the hawkers and vendors and convinced them of the need

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to form their unions. Hawkers and vendors were prone to organizing themselves, as they virtually constituted a large cluster and as they showed collective behavior. Further, although illegal and unauthorized, they were important service providers, and their withdrawal from a location even for a day created problems for the public. The unions took advantage of this situation and organized several processions on the issues facing the hawkers and vendors.

A number of unions have come into existence after the formation of Hawkers and Vegetable Vendors Federation, with headquarters at Dumbili in Maharashtra and they have a membership of 2,50,000. Of this, 25,000 were enrolled as members of 11 unions in different areas. However, in 2006, only four unions were in existence, the Kastgani Hawkers Union, Dumbili, Thane Zila Hawkers Union, Basai Taluk Hawkers Union and Shiv Gangana Hawkers Union.

*Demands of the union:* The basic issues on the agendas of the unions have been provision and regularization of space for hawking and vending and licensing of all hawkers and vendors.

*Forms of protest:* The unions have often resorted to direct action by courting arrest four times, causing road blockades on two occasions, picketing the Municipal Commissioner once and attempting to lock the Municipal Corporation office once.

*Performance of the union:* Initially, group meetings were conducted every week but it is not so frequent of late. There has not been a single general body meeting of the union. Hence, there is no involvement on the part of the target group.

The trade unions have not been able to redress the problems of the hawkers and vendors. They are also witnessing fragmentation on political lines. Some political parties have successfully tried to break the union in connivance with a section of the hawkers and vendors themselves. An analysis of the situation revealed that those union leaders treat the hawkers and vendors more as voters than workers.

The workers feel detached from the trade unions. However, the issue of hawkers and vendors has become a national one because it is a universal issue touching large sections across the country. In 1987, the Supreme Court of India, ruling in *Saudam Singh vs. New Delhi Municipal Corporation (NDMC)*, ruled that hawking represented a fundamental right to livelihood and was subject only to reasonable restrictions to avoid potential social costs of these activities. Following this, judgment, a concept note was prepared in the Ministry of Urban Development and Poverty Alleviation, and a task force to alleviate their problems has been constituted.

### 3.4.13 Agricultural workers in Bihar

Despite changes in the workforce structure, workers engaged in agriculture and allied activities constitute the largest segment of the informal sector workforce. In recent years, the economy witnessed a short-term expansion in the rural unorganized manufacturing sector, in terms of number of workers and of units. However, a survey of the unorganized rural manufacturing industry from 1989–90 onwards has suggested a perceptible decline in the number of such units and employment. Rural unorganized manufacturing units coming under the category of own account enterprises accounted for the majority of job losses. There has been a massive shift of non-farm employment from rural to urban areas. The decline in agricultural self-employment, caused mainly by fragmentation of land holdings leading to landlessness, has contributed, in large measure, to the massive casualization of workers and led to increased rural-urban migration.

The proportion of landless agriculture workers increased from 25 per cent in 1981 to 40 per cent in 2002. The average number of days of work available to an agriculture worker has declined from 123 in 1981 to 100 in 1991 and to 78 in 2002. However, the number of agriculture workers has increased from 74.6 million in 1991 to 107.4 million in 2000. The annual growth rate of rural employment has come down from 2.03 per cent between 1987–88 and 1993–94 to 0.58 per cent between 1993–94 and 1999–2000. The problems of agriculture labour have to be viewed in the right perspective. This situation requires an overview of the crisis being faced by the agriculture sector itself in general and by the farmers in particular.

- The bottom 61.6 per cent of operational holdings account for only 17.2 per cent of total operated land area. As against this, the top 7.3 per cent of operational holdings account for 40.1 per cent of the total operated area. There has been a decline in the growth rate of crop production including food grain production.
- The share of agriculture in gross domestic product (GDP) has come down from 61 per cent in 1950–51 to 24 per cent in 2001–02, but the population dependent on agriculture has seen only a marginal decline from 77 per cent to 69 per cent during the same period.
- There has been a sharp decline in rural development expenditure and in the share of public investment to total investment in rural India. The share of agriculture credit in total credit has come down from 18 per cent to less than 11 per cent during the last decade.
- Irrigation, by and large, depends on the vagaries of the monsoon.

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*Issues:* Certain areas of the state of Bihar (Fatuah-Marwa, Phulwaria, Khagaria–Alauli, Begusarai, Bakhari, Saharsa and Bhelwa) have seen organizational activities by the central trade unions. The issues that came up during unionization were:

- Agriculture labour has virtually lost its sectoral identity. During the problem identification process, agricultural workers reported that they tried to sustain themselves through a number of short-duration occupations. When agriculture does not provide enough work, they become brick kiln workers, vegetable sellers, rickshaw pullers, head-load workers, etc. This shows that the agriculture sector does not guarantee a reasonably long duration of employment necessary to sustain oneself.
- A large section of the land is concentrated in a few hands. Many of the workers complained that the *bhoodan* lands (land gifted by landlords to the noted leader, the late Acharya Vinoba Bhave, in response to his appeal and redistributed among the landless) were allotted to them without any land ownership document and, in many cases, they could not get possession of the land. There are also instances where possession was given but the land was forcefully occupied by the dominant landholders. Many of the workers do not even have homestead land.
- There was no awareness of the prescribed minimum wage. The prevalent practice is to pay in kind. Workers not only get inferior quality of food grains as wages but the quantity is also less than what it should be.
- Workers did not like to migrate to urban areas or even to the rural areas of Punjab. It was revealing that given a choice, they feel inclined to migrate to rural areas near their homes during the harvest season.
- Almost every agriculture worker is either indebted, at high rates of interest, to the village moneylenders (who are often petty traders) or the landlords employing them.
- Several landlords advance loans to the workers in order to keep their services both for agricultural work as well as household work. Workers are obliged to work at a very low wage and because of the usurious rate of interest and the restricted opportunities, the workers are not able to repay the debts, making their status almost like forced labour.
- In the areas under study, women and children were found to be working as agriculture labour in large numbers. The women workers themselves believed that they deserved lower wages than their male counterparts and did not perceive this as wage discrimination.

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- In most agricultural activities, like paddy transplantation and harvesting, payment is on a piece-rate basis. Apart from adult male and female workers, their children also work in order to augment their piece-rate wage.
- Despite some schemes of social security, only the scheme of old age pension was visible.

*Techniques of organizing and union formation:* Bihar has a long history of peasant and agriculture labour movements. Both have, however, remained confined to a few pockets. There is also an extremist form of labour movement led by the People's War Group (popularly called Naxalites) in some pockets of the state. The extremists have been resorting to extreme forms of violence, in retaliation to which the landlords have their caste-based private armies. There are frequent incidents of attacks and counter attacks in which people are killed, particularly in Jehanabad and Bhojpur areas of the southern part of the state.

The agriculture workers' unions have not been formed through specific forms of interventions at the local levels. Instead, the workers were mobilized through their participation in large-scale demonstrations. Earlier, the rallying points were the issues like land to the tillers, distribution of land, etc. After liberalization, the focus has shifted to issues like liberalization and globalization of agriculture.

Almost all the central trade unions are involved in activities among the agricultural labour. Some of them have rural affiliates who deal exclusively in organizing rural workers and agricultural labour, while others have separate cadres for this purpose. They also have either separate affiliates or separate cadres for organizing the land holding peasants.

*Demands of the union:* Some of the demands of the unions relate to macro policy issues. They include:

- Keep agriculture outside the World Trade Organization negotiations.
- Increase budgetary allocation for the agriculture sector.
- Provide crop insurance.
- Give land to the landless.
- Enforce the Minimum Wages Act.
- Enact separate legislation for agricultural workers guaranteeing employment and social security and providing conflict resolution mechanisms.

*Forms of protests:* The protest methods favored by the unions are demonstrations, picketing and land grab.

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It is the existing local-level trade unions, affiliated to the central organization of workers, which are actually responsible for organizing the informal sector workers. Given proper leadership, these workers are prone to unionization and women workers have especially demonstrated their strength in the formation of unions and union activities. Migrant workers, too, have joined the unions. Though the tools and techniques applied to organize the workers vary from group to group, the fundamentals remain the same. The density of trade union membership is fairly satisfactory. In many cases, the unions have made remarkable gains, with instances of casual workers being regularized and workers' groups becoming eligible for social security schemes. It is mostly the worker-members who occupy key positions on the executive bodies of the unions. This is the result of a conscious policy of the existing trade unions. The methods of protest — demonstration, picketing and strikes — suggest that unions are quite vocal. Because of the large area of operation, the central trade union affiliates are limiting their activities and providing leadership in different areas and enterprises without any overlapping of activities. Hence, there is no inter-union rivalry.

## 3.5 COOPERATIVE AS A FORM OF WORKERS' ORGANIZATION

The justification for the cooperative form of organization of informal employment workers is provided by the very nature of its sectoral distribution and the employment status. Informal employment is divided into agricultural employment and non-agricultural employment. The latter has a large share of own-account workers and unpaid household enterprise workers. If the organizational activity is confined to regular salaried/wage employees, then only 18.7 per cent of the informal employment workers are covered. The self-employed workers, who constitute 60.3 per cent of the informal non-agricultural sector, remain excluded from trade unions and other kinds of organizational activities, as they are not in any direct employer-employee relationship.

Own-account enterprises have no institutional arrangement for the purchase of basic inputs and sale of final products and services. Hence, there is heavy dependence on private enterprises, contractors/middlemen, individuals and households. This is a situation which is bound to be exploitative.

The growth of private enterprises as reported by the NSSO in 1999–2000 suggests that they are unable to survive in a competitive environment. Close to

63 per cent of the enterprises operating over the 2003–05 period have logged stagnant growth, 10 per cent have been contracting and only 20 per cent have shown growth. The remaining 3 per cent remained stable. Shortage of capital is a major problem for enterprises in urban and rural areas. Competition from larger units is ranked as the second biggest problem in urban areas. Local problems are another major problem for enterprises in urban and rural areas. In rural areas, lack of infrastructure facilities and competition from larger units are also fairly serious problems.

These are problems that cannot be resolved by a trade union form of organization. Instead, there is need for enterprise protection and a cooperative form of organization seems to be the answer. It could be producers' cooperatives, consumers' cooperatives, credit cooperatives or labour cooperatives.

This, however, is not to suggest that the cooperative form of organization has no place in the agenda of the trade union movement. The institution of trade unions is suitably equipped to mobilize self-employed workers as well as to take collective action. Besides, it does not convey that those workers who are organized around trade unions need not be organized around cooperatives.

### 3.5.1 Case studies

Field investigation of workers' cooperatives — looking at both success and failure models — also supports the contention that cooperatives without trade union consciousness on the part of the workers have proved to be a successful model. Workers' cooperatives without trade unions presents a model in that either there is a total absence of a union or, even if there is a union, it is only in name. In both scenarios the cooperative is bound to be either completely ineffective or the monopoly of an individual union office bearer or a handful of office bearers. On the other hand, the cooperative of a unionized workforce represents a success model. Also, co-operatives without trade union consciousness have miserably failed. The following is illustrative of this contention.

*Workers' cooperatives without trade unions:* There are several power loom cooperatives in Maharashtra, which were set up with the institutional support of the Central and state government agencies. A number of power loom cooperative societies were also set up under the various schemes for the welfare of scheduled tribes and other backward caste populations falling below the poverty line, with the idea of making the workers shareholders and ameliorating their condition. Such cooperatives were set up in Palawara village of Kamba panchayat, Mulchand Compound of Katai Gram panchayat in rural areas and Nagaon Gayatri Nagar, Belaji Nagar and Ampare in urban areas in

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the Bhiwandi taluk of the state. The real beneficiaries, however, were not those for whom the schemes were intended, but a handful of vested interests. The workers who were supposed to be the shareholders actually became hired workers in the same cooperatives.

*Malpractices:* The Maharashtra Power Loom Industrial Cooperative Society was formed in Mulchand Compound of Katai Gram panchayat in 1997 with a loan component of Rs.50 million from Mahatma Phule Arthik Vikas Mahamandal. From the very beginning there was lack of planning and prevalence of malpractices. The shareholders of the society were not the workers for whom the scheme was designed; instead they were local vested interests. There were some middlemen who placed orders for the supply of looms. Though the supply was short by 250, the full amount was paid. The cooperative also purchased a 300 Kw electric transformer for Rs.6 million, which became operational with only 100 looms. Soon the cooperative faced a number of problems — shortage of raw material, lack of working capital, malpractices by a handful of shareholders and theft of the transformer.

Finally, the looms were closed and the cooperative came to a standstill. Another group of people became active who provided a collateral security of Rs.1.5 million. A new transformer was installed, at a cost of Rs.400,000. Tenders were invited for shifting the looms to Bhiwandi and 200 looms were shifted. The looms are operative at Nagaon, Gayatri Nagar, Belaji Nagar, and Ampari. These looms are being run by contractors for the society. The old liabilities are being repaid in installments by a few political workers.

*Caste consciousness without working class consciousness:* A local union called the Republican Employees Federation, the trade union wing of the Republican Party of India, is trying to revive sick cooperatives initiated under the welfare schemes for the scheduled caste population. However, instead of raising the working class consciousness, the union leaders are trying to play upon the caste consciousness of the workers.

*Retrenched workers' cooperative monopolized:* The Empress Employees Cooperative Paper Mills Ltd. was started in the Empress Mill Textile Paper Division. This was a private enterprise in Nagpur which was closed in 1986 and taken over by the Maharashtra State Textile Corporation in 1988. However, the Corporation could not sustain it and eventually served a closure notice in 1993. Immediately after this, the workers approached the district level leader of a union affiliated to a central trade union at Nagpur and the cooperative was formed in 1994 under his leadership to run the mill. Each worker was asked to pay a share out of the gratuity amount paid by the mill prior to the cooperative being formed.

However, the cooperative remained the private property of the trade union leader in practice. The workers did not get any share. Instead, they

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continued to work as daily wage workers and were not even paid the minimum wage. Meetings of the shareholders hardly took place. There was no transparency in the functioning of the cooperative. After seven years, the cooperative was liquidated in December 2001. The gratuity due to the workers remained unpaid.

*Help from a bona fide union:* The workers then approached the Nagpur General Labour Union and authorized it to file a case for payment of gratuity. All the workers have served individual notices to the president of the cooperative as is mandatory before filing the case. Meanwhile, they are finding it difficult to eke out a living.

*A defunct cooperative:* A local trade union affiliated to a central trade union formed a cooperative of the *hamal* workers, Hamal Shramik Sahkari Samiti, in 1996 for supply of labour. This cooperative was formed by the workers across the rice mills of Durg district of Chhattisgarh. However, the workers were yet to be unionized. The cooperative could not become functional and remained defunct for nearly six years.

*Cooperative follows unionization:* The failure of this cooperative, however, sowed the seeds of unionization as workers realized that a union needed to be formed first. After organizing the *hamal* workers around issues relating to their working conditions, the same union formed the *hamal* workers' cooperative — the Bhilai Durg Hamal Union — in Gurur and Balod in Durg district. In 1996, one more cooperative, the Hamal Mazdoor Sahkari Samiti, was formed. Another cooperative of the workers of Bematara, Saja and Berala and Kurud blocks of Dhamtari districts is in the process of being formed. The union and the cooperatives have been functioning in harmony. After organizing the workers, efforts are being made to form cooperatives of loaders and unloaders working in the rice mills of Bematara block, Saja block and Berela block of Durg district and Kuryal block in Dhamtari district.

The strength of the cooperatives, which have come up so far, is so formidable that the loading and unloading workers refused to work for weeks at a stretch in protest against the rates quoted by the Marketing Federation and demanded an increase in the piece rates. The piece rates quoted by the Federation were actually lower than the rates at which the work was awarded to the contractor the previous year. The cooperative venture is attracting the workers to unions.

It may be concluded that trade unions may have to adopt multi-pronged strategies for organizing the different segments of informal employment workers. The wage workers may be organized both around trade unions and cooperatives. The cooperative organizations of the workers can either follow the trade union organizations or both can coexist. The organizations of self-employed workers will be essentially a cooperative form of organization but

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even in that case a spirit of trade unionism is required before initiating cooperative consciousness. Trade union consciousness in the context of self-employed categories of workers does not mean their enrolment as members of trade unions, but there must be a spirit of working class solidarity among the self-employed workers as well.

To ensure a cooperative form of organization, trade unions can play an effective role in impressing upon the workers the advantage of cooperatives. This requires imparting education and organizing training programs. The cooperative movement has to mobilize savings through financial institutions or sound cooperative enterprises. The nature of cooperatives may be production cooperatives — both for handicrafts and agriculture — consumers' cooperatives with a view to stabilizing prices, regulating the marketing of food products and other consumers' items and labour cooperatives to regulate the supply of labour and guard against the exploitative practices. Trade unions can also impress upon the government the need to give priority to cooperatives within the rural and urban development programs. They may even negotiate with the government to establish a 'guarantee fund' for short and medium-term loans at low rates of interest. These can be addressed through the process of tripartite consultations.

## 3.6 CONCLUSION

### 3.6.1 Various unionization processes

This section attempts to recapitulate the methods of organizing the workers. It summarizes the merits and demerits of the cooperative mode of organizations. Finally, a SWOT (strengths, weaknesses, opportunities and threats) analysis has been done to understand the dynamics of the trade union movement and to draw lessons from it. The analysis is based on the perspective drawn from the structure and functioning of the trade unions covered under the study.

The NSSO data combines trade unions and associations in estimating the workers (with informal employment) reporting the presence of unions/associations and their membership. Even going by that, the percentage of such workers is very low. However, this is not supported by this micro-empirical study and field experience. This divergence is explained by the fact that the NSSO estimates are based on the 1999–2000 survey, and many unions have come into existence recently.

The central trade unions are also actively pursuing the policy of organizing those with informal employment. Some of them have constituted

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coordination committees and, in some cases, there are even national level federations of informal sector workers.

From the case studies of the unionization process, it is possible to pinpoint the various subjective factors contributing to the formation of the unions. The identification of those factors may contribute to evolving a blueprint for the practitioners. These are:

- trust building
- awareness creation
- breaking of the dependency syndrome
- demonstrative effect
- multi-unit contact program
- resource transfer
- articulation of issues
- gender sensitivity
- democratic decentralization
- integration of multi-level units

The significance of each of the above factors is discussed below:

*Trust building:* Trust building and establishing rapport with workers is not an easy task. It becomes far more difficult in the case of rural workers or informal employment workers as their socio-economic profile is different from that of organized sector workers. This cannot be viewed as irrational behavior on the part of the workers, for they have experienced the exploitative behavior of outside agencies and individuals for a long period of time and that has generated an atmosphere of mistrust. When a central trade union affiliate tried to organize the rickshaw pullers, the latter did not respond to their call. Obviously there was a lack of trust. The leader, therefore, made a conscious effort to allay the misapprehension of the rickshaw pullers and engaged himself in the task of building trust. To this end, the leader started visiting the slums where the rickshaw pullers lived and looked into their living conditions and tried to remedy those problems. This tremendously helped in building trust.

*Creating a spirit of trade unionism:* Trade unions should emerge from among the working class rather than be an external institution. In other words, it should be a union *of* workers and not only a union *for* workers and there should be a spirit of “let us unite”. This is possible only when workers themselves realize this. For instance, an enlightened bullock-cart driver successfully raised the trade union consciousness among his fellow workers. Similar efforts were made in other cases in order to make the workers

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conscious of the gains of unionization. In the case of *anganwadi* workers, cultural programs were organized to create this consciousness and motivate the workers.

*Breaking of the dependency syndrome:* The deprived sections of society suffer from a dependency syndrome. They internalize their problems and are not aware enough to articulate the fact that their problems are caused by external forces and can only be remedied if they acquire voice and representation. Such lack of awareness makes them dependent on external agencies. The power loom workers' union failed to succeed because of the workers' dependence on some individual leaders. The union was perceived as a service providing institution. This dependence of the worker allowed the union to perpetuate its vested interests. The ultimate result was the workers' disillusionment with the very institution of trade union. Similarly, the bullock-cart workers' union suffered some setbacks due to its dependence on a particular leader and became defunct following his murder. The new leadership, therefore, made a conscious effort to break the dependency syndrome by making workers realize the gains of collective action. Similarly, the cooperative form of organization of the retrenched paper mill workers was characterized by total dependence on the leader, which made its operation inefficient.

*Demonstrative effect:* A demonstrative effect, in the positive sense of the term, indicates one zone influencing the surrounding zones. A successful union in a particular unit influences workers of nearby units and they take the initiative to replicate the model. Thus, a union that was created in a seed processing unit in Maharashtra led to the unionization of the workers of an explosives manufacturing unit. In fact, the workers of the explosives unit themselves took the initiative to approach the union leaders and expressing their desire to organize.

*Multi-unit contact program:* Unlike organized sector workers, informal sector workers are scattered and, therefore, gate meetings or meetings at the workplace are not possible. Hence, contact with workers has to be established at different places. The interaction between the seed processing unit workers and the union leaders was started at the residence of the workers, followed by contact programs at the union offices and other suitable places. A similar strategy was adopted in the case of the rickshaw-pullers. The contacts were initially established with a few individual workers, later with a group of workers, and finally with all workers.

*Resource transfer:* Resource crunch, particularly in terms of manpower, is a major constraint in organizing informal sector workers. It will take some time to develop a cadre exclusively for this sector. The deployment of organized sector cadres by some trade unions to organize the informal workers proved to be a fairly successful experiment, as for example, in the case of the

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seed processing workers. In all other units as well, it was the organized sector cadres which played the leading role in the organizational activities of the informal employment workers.

*Articulation of issues:* Workers' organizations cannot emerge in a vacuum, but arise out of certain issues. Often there are multiple issues, particularly in the case of informal employment workers. Hence, those issues need to be prioritized. More than the working conditions, it was the issues related to the living conditions that attracted the rickshaw-pullers to come within the fold of a trade union. The *anganwadi* workers and Mid-Day Meal workers were motivated by the prospect of regularization of their services. Issues relating to social security worked in the case of all the categories of the workers. By contrast, the larger macro policy issues being raised in the case of agriculture workers did lead to demonstrations and processions, but they did not generate organizational consciousness in a real sense.

*Gender sensitivity:* Even in the organized sector, the membership of women and their participation in industrial action is not encouraging. Women's cadres are needed in order to organize women workers. It was with this realization that some organized sector women members were assigned the task of establishing contact with the seed processing workers and this method proved successful. Similarly, it was because of the interventions of the organized sector women cadres that the Mid-Day Meal workers and *anganwadi* workers formed unions that have really proved to be quite effective.

*Democratic decentralization:* It has already been pointed out that unions should emerge out of the felt need of workers and cannot be thrust on them. The workers must own the unions. There has to be democratic decentralization so that the unit level workers manage the day-to-day activities of the union. This has been ensured through the process of electing the unit level workers as the key office-bearers in almost all the unions.

*Integration of multi-level units:* The strengths of the *anganwadi* workers and Mid-Day Meal workers lie in the fact that they have formed federations at different levels starting from local levels up to the national level. This has resulted in working class solidarity. The interaction of the workers at different levels has prepared them to articulate their problems and resolve these through collective action. It is no mean achievement that there are instances of regularization of the services of the workers.

#### 3.6.2 SWOT analysis

Table 3.9 describes a SWOT analysis, which is a thinking framework for identifying strengths, weaknesses, opportunities and threats. The technique, though traditionally used in business organizations, is commonly used to

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Table 3.9: A SWOT analysis of trade union activities

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>- Insiders as office bearers</li> <li>- Strong feminized unions</li> <li>- Unions succeed in fulfillment of their demands</li> <li>- Participation in organized sector unions' industrial action</li> <li>- Union-cooperative co-existence</li> <li>- Articulated forms of protest</li> </ul>	<ul style="list-style-type: none"> <li>- Rival groups of workers</li> <li>- Low capacity of elected representatives at the firm level</li> <li>- One-way betting</li> </ul>	<ul style="list-style-type: none"> <li>- Advantage of scale</li> <li>- Size optimality</li> <li>- No free riding problem</li> </ul>	<ul style="list-style-type: none"> <li>- Elastic labour supply</li> </ul>

document the key factors arising from the review of a particular project. This framework of analysis is relevant in the present study for identification of the key issues, drawing lessons from them and chalking out strategic interventions.

### Strengths

The strengths of the unions are evident from the very structure of their executive bodies. The affiliates of the central organizations at the local level took a conscious decision to make the workers themselves the key office-bearers of their unions. The idea behind this strategy is to make the workers feel that the unions are *of* them, and not merely *for* them.

*Insiders as office bearers:* In some unions the informal employment workers themselves are presidents, vice-presidents and general secretaries, in addition to having a large representation on the executive committee. It is important to note that even migrant workers are office-bearers. So the workers have a sense of belonging, which is quite visible in most cases.

*Strong feminized unions:* It is a known fact that employers engage women labour as they are considered not prone to unionization. Even in the organized sector, women's representation on the unions is not very encouraging. But the trade unions have been able to organize the casual women workers and such unions have proved to be quite effective. The union in the seed processing and packaging unit in Nagpur district, which has a feminized workforce is very strong. When the management removed some of the women workers due to their union activities, they fought for four months and forced the management to re-employ them.

An equally feminized workforce is seen in the explosives factories in Nagpur, which is unionized under the Nagpur General Labour Union. In fact, the women workers had taken the lead in contacting it, after they had heard

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how the women workers in the nearby seed factory had gained strength due to unionization.

Women dominate the workforce in the brewery factories as well. They also belong to the Nagpur General Labour Union. The struggle of the union resulted in regularization of the casual workforce and the brewery work getting notified as 'scheduled employment' under the Minimum Wages Act.

The Mid-Day Meal workers union in Kanker and Uttar Bastar district of Chhattisgarh and in parts of Karnataka display union militancy against all odds. One worker in Kanker was removed due to her involvement in union activities but the union succeeded in getting her reinstated.

Similarly, the unions of *anganwadi* workers have achieved notable success due to their struggle. The union has secured, through a legal battle, an order from the Karnataka Administrative Tribunal establishing an employer-employee relationship between the government and the *anganwadi* workers. The unions have also managed to get the amount of honorarium increased and also secured a favorable policy decision to promote the eligible workers to the rank of supervisor. Selectively, the unions have also succeeded in securing maternity benefits, festival allowance, etc.

The women workers in the rice mills of Chhattisgarh are active union members. Thanks to their struggle, the practice of employing women workers on night shifts has been discontinued and incidents of sexual harassment at the workplace have come to an end.

*Unions succeed in fulfillment of demands:* Other unions have also succeeded in getting their demands fulfilled. The bullock cart drivers' unions have been able to get the rates paid by FCI increased, bringing them at par with the prescribed minimum wages for piece-rate work. The unions have succeeded in ensuring that the rates are displayed within the premises of the rice mills and the FCI godowns.

The unions of loaders, unloaders and other unskilled workers in the rice mills of Bhilai have succeeded in bringing a considerable number of workers under the provident fund coverage, with as many as 300 workers becoming beneficiaries of the scheme. The stiff resistance offered by the unions has helped bring down the labour turnover. In addition, payment of wages on a piece-rate basis has been substituted by daily wages for eight hours of work with overtime, which was absent prior to unionization.

The concerted demands of the rickshaw pullers' unions has resulted in the announcement of a social security scheme, exclusively for them, by the Chhattisgarh government.

The union of the brewery factory workers has succeeded in getting a large number of casual workers regularized. It has also secured the payment of minimum wage by forcing the state to make work in the factory a 'scheduled

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employment' under the Minimum Wages Act. The workers have also succeeded in institutionalizing the system of collective bargaining and have become beneficiaries of EPF and ESI schemes.

The auto rickshaw drivers' unions have succeeded in getting the professional tax imposed on them since April 2000 withdrawn. Social security issues have begun to occupy an important place in their day-to-day struggles. Harassment by the police and the municipal authorities have been contained to a large extent.

*Unions join organized sector workers' struggle:* There are instances of the unions extending support to the organized sector workers' struggles on larger issues by participating in their strikes and demonstrations. For instance, the bullock cart drivers union participated in the strikes held by the electricity board workers and the Bhilai steel plant workers.

*Union-Cooperative coexistence:* There are some successful instances of workers' cooperatives promoted by the union of the rice mill workers of Bhilai. Their success lay in the fact that the workers were unionized when the cooperatives were formed. Both forms of organization thus proceeded together. The cooperative venture is attracting the workers to come into the fold of the unions. The workers refused to work for weeks together to press their demand for an increase in the rate offered by the cooperative marketing federation for piece- rate work.

*Articulated forms of protest:* In most of the cases, the unions have articulated their demands through leaflets, notices and pamphlets, presenting their charter of demands, staging demonstrations, picketing and calling for strikes.

### *Weaknesses*

The biggest weakness of the trade union movement, especially in the case of the informal sector, is the rivalries and conflicts between different categories of workers, unions as well as between and within unions.

*Rivalry between union members:* Different categories of union members often have conflicting interests. For example, although bullock cart owner-drivers, hired drivers and helpers belong to common unions, the attitude of the owner-drivers towards the hired drivers and helpers is no different from that of the management of the rice mills. They pay only 25 per cent of the total receipt to the hired workers and much below the minimum subsistence wage to the helpers. This is how a marginalized section of the self-employed workers become rivals of the equally marginalized section of wage workers.

*Conflict between different unions:* Conflicts between different informal sector workers weaken the concept of working class solidarity. For example,

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the bullock cart owner-drivers, hired drivers and helpers, who belong to one union, stand united against tempo drivers, who have their own union. Worried about the bargaining strength of the bullock cart drivers' unions, the managements of the rice mills and FCI tried to substitute their services with tempos. The tempo drivers, who have their own unions, immediately agreed and tried to grab the opportunity. This led to a confrontation between the two unions in which bullock cart drivers' unions emerged successful. This incident can be viewed both as a victory of collective action as well as a weakening of the trade union movement. The remedy lies in ensuring that there is trade union consciousness at a macro level and working class solidarity as a whole. Similarly, the rickshaw pullers' unions offer stiff opposition to the grant of licenses to mini-door three-wheelers and auto-rickshaws and the three unions are at loggerheads with each other. This situation is telling heavily upon the process of trade union solidarity.

*Collusion with vested interests:* There is also a conflict of interest between unregistered/independent unions and the registered and affiliated unions, as could be seen in the case of the auto rickshaw drivers unions. Some unregistered/independent unions give primacy to electoral pay-offs to perpetuate sectional political interests. Worse, unions sometimes collude with the police, transport authorities and some vested interests. For example, an auto-rickshaw union formed a regional confederation and held a convention which was addressed by a noted industrialist who is a manufacturer of auto-rickshaws. The real purpose for holding such a convention was to create a market for the auto-rickshaws being manufactured by the industrialist. Some of the genuine unions, therefore, declined to participate in the convention.

*Rural-urban divide:* Within the auto-rickshaw drivers' unions, there is a divide between those operating in rural areas and in urban areas. At times, auto-rickshaws that have been granted permits to operate in rural areas carry passengers from rural to semi-urban and urban areas and they antagonize the urban area auto-rickshaw drivers. In an attempt to prevent the entry of their rural counterparts, the urban auto-rickshaw drivers virtually become the agents of the police and the transport authorities. This happens in utter disregard of the fact that all are the members of the same unions.

*Internal rivalry:* When rickshaw pullers who have been hired by rickshaw owners become the owners themselves, they do not consider the hired rickshaw pullers as their equals. Their attitude to union activities also undergoes a change.

*Inter-village rivalry:* Due to an elastic labour supply situation, the labour market has become highly competitive. As a result, there are clashes between job-seekers. This situation was evident in the case of daily wage workers at FCI

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godowns of a particular village in Dhamtari block of Chhattisgarh, who clashed violently with workers of a nearby village, who were competing for the same jobs. The problem was so glaring that some union leaders had to work out a compromise in the form of employment on alternate days for the workers from the two villages.

*Local workers versus migrant workers:* There are similar conflicts between local workers and migrant workers. The management prefers to employ migrant workers as they can exercise more control over them.

*Workers with job cards versus workers without job cards:* The trade union movement has succeeded in getting job cards for workers but many are yet to get the cards. This creates a divide between the two categories. The workers with job cards side with the management in preventing the entry of those who have no job cards.

*Regular workers versus casual workers:* Regularization of casual workers has been possible because of the sustained struggle of their unions. However, the regularized workers turn their back on casual workers.

*Male regular workers versus female regular workers:* There have also been conflicts between female and male regular workers of Konkan brewery. Initially, the management preferred to employ women casual workers in order to have a better control over their workers. However, once the women workers were unionized and the union succeeded in regularizing their services as well as that of other male workers, a sharp divergence of interest came to the surface. The women workers, who were in a majority in the factory and also among the authorized union representatives in negotiations with the management, opposed the regularization of casual male workers as well as fresh appointments. The opposition was so strident that in one instance a women worker stood on the machine in protest, resulting in a shut down for two hours. The woman union leader who led the protest faced suspension, which was revoked only after the labour court intervened. The management is the beneficiary in such a situation.

*Institutional conflicts:* The unions are in conflict with panchayats, local bodies, SHGs and NGOs, among others, on various issues. The SHGs are proposed substitutes for Mid-Day Meal workers and the Mothers' Committees for *anganwadi* workers. The unions feel that the SHGs are likely to turn the Mid-Day Meal program into a profit-making venture and would either reduce the prescribed quantity of the meals or compromise on the quality. Similarly, the proposal to set up Mothers' Committees would result in the loss of jobs of the *anganwadi* workers. The unions feel that both the proposals are the result of apprehensions arising out of the strength demonstrated by the unions. Though the unions acknowledge that the panchayats and local bodies are grass-root level democratic institutions, they

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feel these bodies do not represent the exclusive interest of the working class. Hence, their control on the day-to-day functioning of the *anganwadi* workers and Mid-Day Meal workers would be detrimental to the unionization process.

*Lack of support from organized sector unions:* There is a lack of unity between the organized sector unions and the informal sector unions. There are several instances of the informal sector unions participating in the demonstrations and strikes of the organized sector. However, the organized sector unions have never reciprocated the gesture.

*Deficiency in negotiating skills:* Though informal sector workers are office-bearers in their unions, they lack negotiating skills since they are not educated. There is no institutional arrangement on the part of trade unions to train them in this aspect.

*Cooperatives without unionization:* The workers' cooperatives that have emerged in the informal sector are a mixed bag. Some have been monopolized by vested interests and are being run as private property. However, some others provide a successful model. There was no unionization in the case of the former, while workers were unionized in the successful cooperatives.

### *Opportunities*

*Advantage of scale, size optimality and no free-riding problem:* It is the organized sector trade unions affiliated to the central unions which are organizing the informal sector workers. It is well known that there is a multiplicity of trade unions. The informal sector workers are very large in number and are scattered over a large range of enterprises and locations. Multiplicity of trade unions, which is not considered desirable in the case of organized sector workers, may actually help here, since the multiple unions may be spread over a large range of the enterprises and locations, with little chance of work being duplicated.

This size optimality also provides a safeguard against 'free riding'. The problem arises in a large union when a considerable number of union members/workers may not participate in industrial action as they become the beneficiaries of the gains of the struggle automatically. However, there is little chance of free riding in an optimal sized union, where either all will gain or all will suffer. This ensures full participation of the workers in union activities.

### *Threats*

*Elastic labour supply:* Some of the weaknesses mentioned above have to be viewed as threats to the unions' activities. But the most important threat is the

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situation of elastic labour supply, which results in a competitive labour market between organized labour and unorganized labour. This situation can be remedied only if there is a combination of those who are employed and those who are unemployed.

### 3.6.3 Recommendations

Some pragmatic methods/policies need to be adopted to organize workers in the informal economy.

- The tools and techniques of organization building have to be situational rather than following a straitjacket approach. These could be:
  - A group of organized workers from a particular sector may serve as a resource group to organize the workers in a unit representing an informal sector.
  - In an informal sector unit where the workers have already been unionized, some of them may constitute a task force for forming a resource group of the informal employment workers in other units.
  - Such unionized informal sector units may also be used as models of replication by neighboring units. For this, regular interaction between the workers of the unionized units and those of the non-unionized units is necessary.
- The participation of workers representing informal employment in the industrial action of the organized workers has to become a two-way process, with the organized sector workers participating in the strikes, demonstrations and processions organized by informal employment workers.
- The organizational process may begin with the creation of SHGs, workers' cooperatives and thrift and credit/societies under the umbrella of a trade union.
- Trade unions can adopt a strategy of multi-level and multi-dimensional activities like the following:
  - Addressing the problems of the workers at the work place as well as home.
  - Addressing both work related and personal problems.
  - Addressing common problems as well as individual problems.
  - Addressing the problems of not only the workers but also the non-working family members.

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- Establishing linkages between activities relating to migrant workers at the place of destination and, through their rural affiliates, in their villages.
- Broadening the activities for educational and cultural development of the workers and their family members, like organizing cultural programs and conducting night schools for children.
- There is need to address the problem of rivalries of different kinds and foster working class solidarity. This is not difficult if the workers are made to understand the implications.
- In order to strengthen the working class consciousness and broad base the activities of unions, it is important to have federations at the panchayat, district, state and national levels.
- A potential threat to unionism in the informal sector comes from the highly surplus labour market. Hence, trade unions must have a non-conventional agenda and give utmost priority to enterprise protection. Moreover, if the organizational activities are limited to the wage workers, the largest section of the informal employment workers — self-employed workers — will remain left out.
- The workers in informal employment are mostly illiterate or semi-literate. Yet they have insights acquired through their exposure to the capital-capital relationship. Hence, there is need to impart them training in negotiating skills.
- There is also a need to develop a training manual that trade union leaders engaged in organizing the informal employment workers can use. The manual should be country-specific, handy, practical and enforceable at the lowest cost.

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### Annexure 3.1: The Karnataka Unorganized Workers Welfare Bill, 2005

The Bill defines inter alia self-employed persons and unorganized workers as follows:

#### **Self-Employed Person**

A "self-employed person" is one who is not employed by any employer, but is directly engaged in any scheduled employment for his or her livelihood. This includes the 'home worker'.

#### **Unorganized Worker**

An "unorganized worker" has been defined as one who is engaged or is to be engaged directly or through any agency or contractor, in any scheduled employment. The employment may be for wages or not, to do any work in any scheduled employment. It includes any person not employed by any employer or his agent or contractor, but working with the permission of, or under an agreement with, the employer or his agent or contractor. It also includes a person who is given raw materials by an employer or his agent or contractor for altering it or making any product or for any work and registered as an unorganized worker under this Act, but does not include any member of the family of an employer.

The Bill envisages constituting a fund called the Karnataka Unorganized Workers Welfare Fund and setting up a social security authority called the Karnataka State Social Security Authority to advise the government on such matters arising out of the administration of this Act or any other scheme under it. The authority may formulate as many specific or general schemes as necessary to provide for registration of employers and unorganized workers in scheduled employments, terms and conditions of work of unorganized workers and the general welfare and social security of the unorganized workers in scheduled employments.

The specific provisions of the scheme relate to the following matters:

- (a) application of the scheme to such class or classes of unorganized workers and employers, as may be specified therein;
- (b) defining the obligations of unorganized workers and employers subject to the fulfilment of which the scheme may apply to them;
- (c) for regulating the recruitment and entry into the scheme of unorganized workers and the registration of such workers and employers, including the maintenance of such workers and employers, the maintenance of registers, removal either temporarily or permanently of names from the registers, and provision for appeal against such removal to the prescribed authority, and the imposition of fees for registration;
- (d) regulating employment of unorganized workers and the terms and conditions of such employment, including wages, hours of work, medical facilities, maternity benefit, overtime payment, leave with wages, provision for gratuity, provident fund, bonus, pension, group insurance, housing and conditions as to weekly and other holidays and pay in respect thereof.
- (e) securing to such unorganized workers who are available to work but not getting employment or full employment during any period, a minimum wage under the scheme, subject to the conditions of, and the availability of, the fund under the scheme;
- (f) prohibiting, restricting or otherwise controlling the employment of unorganized workers to whom the scheme does not apply and the employment of such unorganized workers by employers;
- (g) the welfare of unorganized workers covered by the scheme in so far as a satisfactory provision does not exist, apart from the scheme;
- (h) health and safety measures in places where unorganized workers are engaged, in so far as satisfactory provision is required, but does not exist apart from the scheme;

(contd...)

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- (i) constitution of any fund or funds, including provident fund for the benefit of unorganized workers, the vesting of such funds, payment and contributions to be made to such funds and all matters relating thereto;
- (j) The Bill stipulates that the provision for provident fund and fixing rates of contribution shall be made or done after taking into consideration the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (Central Act XIX of 1952), and the scheme framed thereunder may be suitably modified, where necessary, to suit the conditions or work of the unorganized workers and all matters relating thereto;
- (k) the manner in which, and the persons by whom, the cost of operating the scheme is to be met, including any contributions to the fund by employers and unorganized workers and the rate of such contributions;
- (l) appointing the persons or authorities who shall be responsible for the administration of the scheme and funds constituted for the purposes aforesaid and specifying the powers and duties of such persons or authorities and providing appeals against decisions or orders of such persons or authorities and the manner of disposing of such appeals and matters incidental thereto;
- (m) such incidental and supplementary matters, as may be deemed necessary or expedient for giving effect to the purposes of a scheme;
- (n) creating general awareness among the workers about the importance of education, dignity of labour, efficiency and productivity, core labour standards, and the importance of discipline and dedication;
- (o) providing a code of conduct to the members of the scheme with a provision for taking disciplinary action against any of the members who violates the code of conduct.
- (p) The Bill provides for contributions to the fund for the benefit of unorganized workers of scheduled employment by the employer, employee, government or through a levy, paid either through any or all of the below prescribed ways notified by the government from time to time. A few illustrative examples as provided in the Bill are:
  - A. (i) every employer being a landowner and employing unorganized worker shall be liable to pay the fund every year at the rate specified as under. The amount so payable shall be collected by the Revenue Department and remitted to the fund in the prescribed manner.

*(This clause shall not apply to the plantations as defined in the Plantation Labour Act, 1951. (Central Act of 9 of 1951).)*

- (ii) Notwithstanding anything contained in the Karnataka APMC (Agricultural Produce Marketing Committee) Act for the time being in force, the government may, through a notification, impose a cess on the agriculture produce being sold in the local area of an agriculture produce marketing committee. This shall be in addition to the regular marketing cess under the Karnataka APMC Act, which shall not exceed one percent of the value of the agriculture produce being sold and the same shall be collected by the concerned APMC, as if it was the regular market cess and to be remitted to the fund in the prescribed manner within 90 days from the date of collection of such sum.
- B. Notwithstanding anything in the Karnataka Profession Tax Act, the government may impose a cess on the profession tax payable by certain employers employing unorganized workers, a sum at such rate not exceeding the value of the profession tax payable by him under the said Act, as may be fixed by the government by notification from time to time. Every officer appointed under the said Act, shall, while collecting the tax under the said Act, also collect the sum specified in the sub-section and remit such sum within 90 days from the date of collection to the Board in the manner specified in the scheme.

*(contd...)*

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- C. Notwithstanding anything contained in the Karnataka Entry Tax Act and Karnataka Sales Tax Act, the government may impose a cess of any commodity a sum at such rate not exceeding 2 percent of the value of such tax payable, as may be fixed by the government by notification from time to time. Every officer appointed under the said Act, shall, while collecting the Entry tax or Sales Tax also collect the sum specified in the sub section and remit such sum within 90 days from the date of collection to the Board, in such manner as may be specified in the scheme.
- D. Notwithstanding anything contained in any law for the time being in force or in any agreement;
- (a) Every person who makes an application to any local authority for seeking a building licence for any building work shall be liable to pay to such local authority a sum in addition to the fee for such building licence; and
- (b) Every person who undertakes or executes or is in charge of any construction or maintenance of any public works including building dams, bridges, roads, canals, tanks, barrages, check dams, erection of power station lines, plantation or any other public works of the like nature, shall be liable to pay:
- a sum not exceeding two percent of the total estimated cost of the construction of the building or construction or maintenance of works referred to in Clause (b) as may be fixed by the government by notification, as contribution to the fund constituted for the benefit of unorganized workers in the employment in building operations or construction or maintenance works referred to in Clause (b), under a scheme framed under this Act.

The above provisions relating to the contributions to the fund shall apply or such date as may be specified in the notification to the areas within the limits of:

- i) any city corporation including Bangalore city corporation.
- ii) any City Municipal Council
- iii) any Town Municipal Council
- iv) any Town Panchayat
- v) any Gram Panchayat

Different dates may be notified for different bodies.

The Bill also seeks to apply a few labour legislations to unorganized workers in the manner prescribed below:

Application of the Payment of Wages Act 1936, to unorganized workers: (1) Notwithstanding anything contained in the Payment of Wages Act, 1936, (Central Act IV of 1936), the government may by notification direct that all or any of the provisions of the said Act or the Rules made there under shall apply to all or any class of unorganized workers employed in any scheduled employment under this Act, with the modification that in relation to unorganized workers, employer shall mean where a Board makes payment of wages to any such worker, the Board, and in any other case, the employer as defined in this Act. On such application of the provisions of the said Act, an inspector appointed under this Act shall be deemed to be the inspector for the purpose of the enforcement of such provisions of the said Act within the local limits of this jurisdiction.

Application of Workmen's Compensation Act 1923, to unorganized workers: It shall be applicable to the extent notified in the scheme.

Application of the Maternity Benefit Act 1961 to unorganized workers: It shall be applicable to the extent notified in the scheme.

Application of Minimum Wages Act 1948, to unorganized workers: Notwithstanding anything contained in the Minimum Wages Act, 1948 (Central Act XI of 1948), the provisions of the Act shall apply to the unorganized workers employed in any scheduled employment, as if the employment specified in the scheme to this Act had been specified in the schedule to the said Central Act.

(contd...)

### Chapter III The Informal Economy and Trade Unions

Application of Equal Remuneration Act 1976, to unorganized workers: Notwithstanding anything contained in the Equal Remuneration (Central Act 25 of 1976) Act, 1976, the provisions of the Act shall apply to the unorganized workers employed in any scheduled employment as if the employment specified in the schedule to this Act has been specified in the said Central Act. It is stipulated under the Bill that any contract or agreement, whether made before or after the recommendation of this Act, whereby an unorganized worker relinquishes any right conferred by or any privilege or concession accruing to him or her under this Act or any scheme, shall be void and of no effect in so far as it purports to deprive him or her of such right or privilege or concession.

The Bill appends a list of the following scheduled employment in the unorganized sector:

1. In agarbatti rolling.
2. As labour in agriculture, horticulture and floriculture, sericulture and areca nut garden.
3. In agro-processing including fruit and vegetable processing.
4. In automobile workshops/garages.
5. In arrack shops.
6. In basket making, mat making, bamboo and cane works.
7. In bidi making but not covered under the Bidi and Cigar (Conditions of Employment) Act, 1966.
8. In bidi works.
9. In blacksmith work.
10. In bleaching, dyeing and printing.
11. In breweries and wineries and distilleries.
12. In brick/tile manufacturing.
13. In carpentry and saw mills.
14. In cashew nut industry.
15. In manufacture of cement products including pots, pipes, poles and sanitary fittings.
16. In clubs, including markers at play grounds and caddies in golf club.
17. In coffee curing works.
18. In coir industry and coconut peeling.
19. In collection of forecast product.
20. In all kinds of construction and/or maintenance of dams, bridges, canals, roads, tanks, barrages including checks dams and buildings operations including demolitions, alterations, alternations, renovations and repairs etc.
21. In cotton ginning and pressing.
22. In cycle stand and parking areas.
23. In dairy and dairy products.
24. In docks/ports, but not employed by dock/port authorities.
25. In domestic work including cooking, baby sitting, nursing of sick and disabled, etc.
26. In engineering works - iron and steel fabrication and furniture, etc.
27. In film studios and theatres.
28. In fishing industry.
29. In flour mills, oil mills, dal mills, rice mills and puffed rice mills (avalakki).
30. In food products, including biscuits and confectionery and food material packing.
31. In gardening.
32. In gold, silver, bronze article manufacturing, including jewellery and imitation jewellery.
33. In hair dressing and beauty parlour.
34. In handicrafts and toy making.

(contd...)

## Organizing for Decent Work in the Informal Economy

35. In handlooms and power looms.
36. In private hospitals, nursing homes and clinics.
37. In hostels.
38. In hotels/restaurants/catering establishments/canteens/sweet shops/bakeries and public eating places.
39. In juice and fruit stalls.
40. In *kirana* shops.
41. In laboratories and blood banks.
42. In laundry and washing of clothes.
43. In house delivery of liquid petroleum gas cylinders.  
In connection with loading and unloading, weighing and measuring stacking, packing, cleaning, sorting, carrying and filling of any goods including food grains, pulses, oilseeds, all types of vegetables, fruits, flowers, cotton and stitching of such bags, carrying, weighing, measuring or other manual work including work preparatory or incidental to such operations:
  - i) In any market or shop or depot, or factory or warehouse or godown or any other establishment.
  - ii) In any market constituted under the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966, but not employed by Market Committee.
  - iii) Railway yards and goods sheds, railway stations but not employed by Railway authorities.
  - iv) Bus stands and bus stations but not employed by State Public Sector Transport Undertakings.
  - v) In loading and unloading of sand, bricks, tiles, gravel/earth, and construction material.
45. In meat and chicken shops.
46. In door delivery of newspapers.
47. In papad and pickle making.
48. In construction of pandals and tents.
49. In petrol and diesel pumps.
50. In plantations not covered under the Plantation Labour Act, 1951.
51. In plumbing/sanitary works and electrical works.
52. In pottery works.
53. In poultry/piggery farming.
54. In printing press.
55. In public transport including bullock-carts, auto rickshaws, goods carriers and taxi/cycle rickshaws/tongas.
56. In rag picking/waste paper collection/scrap/domestic waste collection.
57. In salt pans.
58. In security - watch and ward (security guards).
59. In sericulture processing.
60. In shops and establishments, including textile shops.
61. In slaughtering houses and abattoirs.
62. In stone breaking or stone crushing excluding those covered under the Mines Act, 1952.
63. In street vending and hawking.
64. In tailoring, embroidery and garment making.
65. In tanneries, leather goods and footwear manufacturing.
66. In vegetable shops.
67. In water supply.
68. In wood carving and carpentry and furniture works, saw mills, timber depots, plywood establishments.

**Chapter III**  
**The Informal Economy and Trade Unions**

**Annexure 3.2: List of industries that are part of the unorganized sector in Maharashtra**

No.	Name of the Industry	No. of Industries	Workers
1.	Stone breaking and crushing	1 014	7 813
2.	Brick tile manufacturing	3 530	41 427
3.	Construction of roads & building operation	2 301	147 966
4.	Security agencies	809	19 837
5.	Bidi making	228	88 021
6.	Rice mill including husking mills	1 017	18 670
7.	Public motor transport	1 181	20 663
8.	Hired motor vehicles service	1 141	3 169
9.	Boatman service	50	N/A
10.	Tailoring	4 335	14 873
11.	Printing press	4 741	13 563
12.	Book binding	1 084	2 321
13.	Handloom	207	3 689
14.	Sericulture	06	137
15.	Forestry & timber operation	445	6 951
16.	Bangle making	01	03
17.	Fireworks	320	571
18.	Embroidery work	32	63
19.	Shops including salons & other personal service centres	119 077	223 472
20.	Chakki mills	7 878	8 451
21.	Leather & leather goods	262	1 880
22.	Hosiery	05	372
23.	Bakery	1 450	9 164
24.	Rubber & rubber products	177	4 190
25.	Saw mills	1 705	10 573
26.	Bone mill	03	234
27.	Plastic industry	1 605	8 397
28.	Ceramic industry	02	200
29.	Small scale chemical units	275	25 445
30.	Cashew processing	N/A	N/A
31.	Coir industry	N/A	N/A
32.	Khadi	02	45
33.	Small scale engineering units	3 750	14 035
34.	Clinical nursing homes	3 718	613
35.	Silk printing	05	08
36.	Dal mill	487	4 825
37.	Oil mill	575	6 402
38.	Decoration	1 337	2 171

(contd...)

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No.	Name of the industry	No. of Industries	Workers
39.	Lab Industry	N/A	N/A
40.	Medical Plants other than Cinchona	15	650
41.	Iron Factories	102	3 127
42.	Paperboard & straw board manufacturing	167	3 665
43.	Garment making	1 602	9 314
44.	Motor garage	4 910	15 463
45.	Copy writing works in court/registration office	137	232
46.	Kite & kite stick manufacturing	13	18
47.	Slaughterhouse	55	63
48.	Type Copying Work	1 210	1 540
49.	Earthen pottery work	2 534	2 826
50.	Such other employment as may be specified by the state government	4 897	13 455

Source: Survey Report, unpublished (2005), Government of Maharashtra.

### Annexure 3.3: List of self-employment occupations in Maharashtra

No.	Name of the occupation	Persons
1.	Auto-Rickshaw driver	97 080
2.	Rickshaw & Van Puller including Hand Pulled Cart Pullers	17 847
3.	Mason	6 475
4.	Carpenter	38 799
5.	Painter	5 366
6.	Electrician	8 882
7.	Plumber	5 044
8.	Cobbler	2 195
9.	Head-load Workers	36 416
10.	Fishermen	3 335
11.	Street Hawkers including newspaper hawkers	2 192
12.	Railway hawkers	798
13.	Ayah/attendant engaged in hospital/nursing homes	9 047
14.	Weaver and other handloom sector workers	4 240
15.	Domestic servants	61 180
16.	Such other workers as may be decided by the Government	8 470

Source: Survey Report, unpublished (2005), Government of Maharashtra.

## CHAPTER IV

# SUCCESS STORIES OF TRADE UNIONS IN ORGANIZING THE UNORGANIZED: ORGANIZING PRACTICES

### 4.1 INTRODUCTION

For a long time, unorganized workers and those in the informal economy were unaware of domestic labour laws and ILO Conventions. Therefore, there was a definite need for these workers to be organized by the trade unions, without which they could not expect their conditions to be changed. The trade unions, for their part, realize that they can play a responsive role in organizing these workers. Trade unions in India have different political affiliations, operate in different geographical areas and sectors and engage in diverse economic activities.

This chapter aims to identify the role played by the trade unions in reaching out to the informal economy and highlighting some success stories of organizing the unorganized workers. Based on the recommendations by the national unions and the ILO, seven trade unions were chosen for the study, as detailed below. One local trade union recommended by each of the national trade union centers is chosen, while the others are independent organizations. The unions selected for the study are Thiruvalluvar Hut and House Construction Workers' Welfare Association (recommended by AITUC), Palakkad Headload and General Workers' Union (recommended by CITU), Mahila Karmikula or Fisheries Women Workers' Union (recommended by INTUC), Rice Mills Mazdoor Sangh (recommended by BMS), Orissa Kendu Patra Sangh (recommended by HMS) the Karnataka State Construction Workers Central Union (KSCWCU) and Self Employed Women's Association (SEWA).

The data was collected through interactions and interviews with the union officials and a few union members, as well as published and un-published

## Organizing for Decent Work in the Informal Economy

documents. Some successful organizing experiences highlighted in the chapter will provide guidelines to other trade unions attempting to organize the unorganized workers. Each case study has the same structure and comparative analysis looking into the following areas:

- Situation of workers before organizing workers.
- Strategies adopted to organize the workers into trade unions.
- The type of resistance from organizing workers and the obstacles faced.
- How the union was registered (if it is a legal requirement) and, if not, how does it function without registration.
- How meetings were conducted after organizing the workers, and whether any obstacles were faced.
- How trade union rights like representing workers for any grievances were restored.
- How collective agreements, if any, were signed.
- How the trade unions' activities were sustained and enhanced.
- Was there any special assistance from the national trade union center and other unions? Was any pressure applied, or was assistance sought from international unions or other organizations?
- How the government sees the unionization of informal workers and whether they received any support through government schemes and other legal and regulatory measures.

The idea behind this exercise is three-fold: First, it is to identify behavioral and organizational patterns in workers and their leaders and the process of achieving what they did. Second, it is to formulate processes of which replication is feasible. Third, it is to provide inputs for policy makers and practitioners of trade unions, which could trigger policy responses that could help in organizing the unorganized workers and ensure sustainable decent living and quality of life for them.

## 4.2 REPLICABLE SHOWCASES OF ORGANIZING THE UNORGANIZED

### 4.2.1 Palakkad Headload and General Workers' Union

The Palakkad Headload and General Workers' Union (PHLGWU) in Kerala is an affiliate of the State Federation of Headload and General Workers Union, which, in turn, is affiliated to the CITU. Kerala is a fully literate state, where the

public is more aware of its rights compared to other Indian states, and the trade union movement in Kerala is very active.

Though the headload workers in Kerala belong to the unorganized sector, the manner in which they managed to gain their employment and welfare benefits is remarkable. Loading and unloading operations, which can be hazardous, are an integral part of all activities in the manufacture and distribution of goods. Headload workers are employed in railway goods sheds, bus stands, lorry sheds, warehouses and all market places. They struggle for a reasonable pay, jurisdictional area allocation (a particular area is allotted to a specified set of individuals), planned holidays without pay and working hours, which even allow them to attend to emergencies.

This case study tries to trace the movement of headload workers in Palakkad, Kerala. It looks at how their lot has improved from a situation where they had no voice to seek just wages, fair treatment, lack of timely support in case of accidents and other humane demands.

### *Situation before union formation*

A headload worker's job is hazardous and uncertain. Private and government parcel offices employ headload workers to load and unload bags and other transported materials. Till 1965, a 75 kg parcel used to fetch 12 pies (192 pie made an Indian rupee) and 16 such weighted parcels used to fetch one rupee. In October 2004, the same quantum of weight load fetched a worker Rs.70. This is a big improvement even after factoring in inflation. In the event of an accident leading to death or disability, the worker had no right to claim compensation, but was dependent on the charity of the employer. Workers could not even protest as that would jeopardize their job prospects elsewhere. In the event of disability, old age or weakness, they were at the mercy of other people's generosity. Their children could not provide much help since they also worked in similar conditions.

The work was intermittent and the period of unemployment/under employment ranged between seven and ten days in a month. The only time workers could rest was when no work was available or when they were bed-ridden due to injuries or illness. Those working in this sector for prolonged periods are prone to arthritis, latent spinal bone injuries and other related complications.

Headload workers were not covered by any labour welfare legislation barring the Minimum Wages Act. However, the contractors who engaged the services of the workers did not adhere to this and the workers were also resigned to the situation. Since the employment was not on the payroll of the employers, the workers could not claim any rights.

## Organizing for Decent Work in the Informal Economy

The Factories Act, Shops and Commercial Establishments Act, Industrial Disputes Act and other labour legislations did not govern loading and unloading operations of goods and commodities. Many firms or establishments did not require full time or regular workers for movement of goods. Hence, most of the headload workers used to work for several establishments at a time or at different times. As a result, it was difficult for them to establish a long-standing employee-employer relationship as those working in organized industries could.

Though the large parcel offices and big transport companies required the services of headload workers for a longer period of time during the day, or for many days in a week, the payments used to be abysmally low. Raju was the president of the Palakkad District Committee, formed by the 50 founder workers in Palakkad town. Raju, one of the founding members of the union under study, who passed away in 2006, recalled a time when they would get paid one anna (16 annas made one rupee) to load and unload a 75 kg sugar bag. A cart load would fetch a worker only 2–4 annas. Even this was not assured, as there were no standard rates.

### *Union formation and its rise*

The CITU led the movement to organize the headload workers. In the 1960s, the workers in towns, urban/commercial centers organized themselves under trade unions and demanded higher wages and better employment conditions. These unions were affiliated to the communist parties, the Jan Sangh and Muslim League. Before aligning himself with the CITU, the vice-president of the State Federation of Headload and General Workers' Union, Comrade Raju was affiliated to various other unions. He was earlier aligned with the Swatantra Thozhili Union (STU), which is now with the BMS (affiliated then to the Jan Sangh and now the Bharatiya Janata Party or BJP). Although it had confrontations with employers, the STU never went on strike, even when there was injustice. Thirty workers from the STU left the union protesting against its stance and joined CITU.

On 8 August 1970, about 50 members of the CITU in Palakkad Division, including those who broke away from STU, united to register the PHLGWU. With another 120 workers drawn from all over Kerala, they formed the Kerala Headload and General Workers' Federation (KHLGWF), a CITU-affiliated union. By October 2004, the KHLGWF had around 1,050 fully paid members in Palakkad town, 7,052 in Palakkad district and about 100,000 in Kerala. The membership fee was Rs.6 a month, of which Rs.3 went to the Federation.

The union orientation strengthened after a fatal accident in Palakkad in August 1970, in which six people died. It acted as a flash point to unite the

## Chapter IV Success Stories of Trade Unions in Organizing the Unorganized

workers, who gathered unmindful of the consequences. “It could be anybody,” was a sentiment that appeared to have touched a chord among all the workers. There had been accidents and casualties earlier but what was different this time was the number of deaths as well as the fact that the political group was affiliated to the union in power. The Member of Parliament (MP) from the neighboring Mallapuram district, M.K. Krishnan, took up their cause with the Communist Party of India (Marxist) and helped galvanize the workers. The other unions in the area including the BMS and the STU (affiliated to Indian Union of Muslim Leagues) joined hands to fight for the common cause of organizing the headload workers and to fix minimum wage rates.

They took up the cause of the six persons who died and, in the process, started organizing the headload workers. Since the traders did not show adequate sympathy, the headload workers realized the problems of working on a daily wage basis and the importance of providing some security for the family in the case of an accident or any other contingency. The communist party in power helped them move further.

In 1970, the CITU gave notice to the Chambers of Commerce in Palakkad demanding an increase in the piece rates and a fixed wage. It organized rallies and demonstrations in front of all offices. Finally, the employers came to an agreement, consenting to bring periodic changes in the rates. The positive response elicited by their agitations spurred the unions to bargain hard ever since. Since 1971, the CITU has been demanding upward revisions in piece rates regularly. With increased awareness of their role in the economic success of their employers, the headload workers are no longer shy of holding rallies or demonstrations to remind employers that they will not accept anything less than what they consider reasonable. The unions never left the path of negotiation and collectivism.

These workers’ agitations slowly spread to almost every village in Kerala during the 1970s. From 1972 onwards, piece rates were negotiated between headload workers’ unions and contractors’ unions. The agreement was valid up to 1984. That year, the Chamber of Commerce representing the interests of the trading and transporting class did not agree with the unions’ proposal for an increase in the piece rates. The headload workers under the leadership of the CITU went on strike for 14 days and there was no movement of goods from and through Palakkad town, which had an impact across the state. The Labour Minister and Labour Commissioner attended a conference and a settlement was reached for a 35 per cent increase in wages.

Any exploitative situation, according to Raju, would incite an upsurge. However, it required an organization to convert that feeling into a movement. Two things were evident from this case:

### Organizing for Decent Work in the Informal Economy

- The employers try to exploit as long as the employees do not protest. At the first signs of an agitation, however, they would rather negotiate than let their business get affected.
- The democratic system ensures that political formations cannot afford to ignore the cause of unorganized workers if they started raising their voice.

### *Consequence of union activity*

The union activity resulted in the formulation of the Kerala Headload Workers' Act 1978 and the start of welfare measures to improve the security of tenure, pay and significant terminal benefits to headload workers for the first time in the unorganized sector in India.

### *The Kerala Headload Worker's Act, 1978*

The CITU's activism backed by the CPI (M) and growing intra-union disputes compounded by the negative role of traders and transporters led to the enactment of the Kerala Headload Workers Act. It is a landmark legislation for the comprehensive welfare of the headload workers and defined the new role of the state and trade unions in ensuring their security and well-being. The Act regulates the employment of headload workers and makes provisions for their welfare and the settlement of disputes in respect of their employment. The Act deals with the following main issues:

- Hours of work.
- Limitations of employment, wage conditions, leave with wages and weekly and other holidays with pay.
- Establishment of a Welfare Board.
- Settlement of disputes and application of the Workmen's Compensation Act.
- Maternity benefit, provision for gratuity and provident fund.
- Registration of workers and maintenance of registers and records by the employers.

The process of registration of employers and workers is non-negotiable. If there is any shortcoming on the part of the employers, the trade union representatives on the board take it up with an appropriate authority and provide remedial action to the affected workers.

The Headload Workers' Welfare Board, which is the first of its kind in India, was formed with the objective of organizing headload workers into a

responsible and committed workforce. The Board elevated the headload workers to the grade of salaried employees when it comes to benefits including leaves, accident compensation, children's education and daughters' marriages and pension benefits. The Board has approved a budget of Rs.1,640 million for the financial year 2004–05. A total of 32,000 workers came under the purview of the activities of the Board in the same year. During 2003–2004, the Board distributed Rs.919 million in wages, Rs.28 million as holiday wages and Rs.1,021 million as bonus to the workers. It also advanced Rs.7.8 million for house construction to 111 workers, Rs.65 million as grants for marriage purposes and Rs.6 million as marriage loans. The board provided Rs.4.13 million to 441 children of the workers as education grants during 2003–04. It advanced Rs.6.94 million for the treatment of sick family members. It also offers medical grants of Rs.1,000 a year after retirement and marriage grant of Rs.1,000 per daughter

From 2004, the Board made it compulsory for workers under 120 committees to attend an annual medical camp. A worker gets paid Rs.1,500 plus the doctors' service fee for family planning. The maternity leave is for two months with pay. They are paid in a graded way for another four months — at Rs.60 a day for the first two months and Rs.30 a day for another two months.

### *Registration of workers and employers*

Every headload worker in the state has to register with the Labour Department and is to be given an identity card. Similarly, employers who utilize the services of registered workers are also registered with the committee. The Assistant Labour Officer in the Labour Department has been appointed as the registering authority and has to maintain this registration. According to the rules, the Welfare Board may fix the wages. Different rates may be fixed for different establishments and for different kinds of work.

### *Wage disbursement system*

Prior to the collective agreement (CA), the workers were paid wages directly by the employers. However, once the CA came into force, the employers paid the wages through the committee constituted under the Act. A fee of 25 per cent of wages payable by the employers and 10 per cent of wages from the workers are collected to cover the cost of the scheme. Every employer has to deposit an approximate amount payable to the workers as wages for a week and it will be credited into the individual account of the employers maintained by the committee. The employers prepare a weekly statement of

## Organizing for Decent Work in the Informal Economy

work done, called work cards, which give details of quantum of work done, amount of wages, levy and number of workers engaged. On receipt of this card, the amount of wages payable to workers and the levy on that is debited from the employer's deposit account. The total wages earned by the registered workers in the pool for a day is divided equally among those present on that day. If a worker is absent, no wage is payable. The disbursement of the wage is arranged no later than the seventh of the succeeding month.

### *Working conditions*

The scheme sets out working conditions for the workers. Working hours are fixed from 9 a.m. to 1 p.m. and 2 p.m. to 8 p.m. with Sunday as a holiday and paid leave of nine days a year. If the worker works on a holiday or for extra hours during the day, the pay would be 150 per cent of the normal amount. This is in contrast to what they used to get when their union was not strong. Before the union was formed, a worker earned, on an average, not more than between Rs.65 and Rs.100 a day for 12 hours of work, from 7 a.m. to 7 p.m.

A retired headload worker received Rs.50,000 as a lump sum in June 2000 and from July 2000, he was paid Rs 350 a month as pension. The maximum pension a worker gets is Rs.2,500 a year in accordance with the November 2004 provisions.

### *Inter and intra union issues*

The loading and unloading workers organize themselves under different trade union banners. Due to the multiplicity of unions, each union takes up only a limited range of functions. The primary concern is wage settlement with contractors and traders. However, there is no uniformity in the rates of wages negotiated by the different unions and, as a result, different rates are paid to workers in different places, based on the terms agreed upon between the local trade unions and the work contractor. In many cases, the workers organize themselves in batches, undertake the work contracts on the terms decided by them depending upon the situation prevailing on a particular day and divide the wages among themselves.

Since there are no specified qualifications or conditions of recruitment, there is more supply of labour force than the demand. This has led to clashes between rival groups or trade unions and has even led to intra-union problems. The employers/traders have also started organizing themselves to bargain with rival unions. These disputes have resulted in strikes that hinder

the movement of goods and cause inconvenience to the public. In the absence of a proper legislation for dispute settlement, the government has been finding it difficult to prevent these disputes.

### *Union rivalry*

The headload workers were organized under various trade unions affiliated to different political parties. They were considered a belligerent and quarrelsome group, always charging exorbitant wages even for carrying small loads. They enforced wage rates prescribed by them by monopolizing the right to do loading and unloading work in a particular area. "Engage us or do not engage anybody", was their motto.

This is best exemplified by what happened in the Chala-Manacaud area of Thiruvananthapuram in September 2004. On 21 September 2004, the Chala area committee of the CITU called for a strike in the area, alleging that the police had prevented nine headload workers from entering the Manacaud market. The CITU urged traders in the district to close shops in support of the strike. A tense situation prevailed at the Manacaud market where police were deployed in full strength to prevent a confrontation between headload workers affiliated to the CITU and the INTUC respectively. As a preventive measure, the police arrested ten CITU activists, including its District Secretary, S.S. Potti. A press note issued by the CITU said headload workers would fight it out.

When the incident happened, there were around 140 workers at the Manacaud market, which mainly deals with vegetables and bananas arriving from Tamil Nadu. A trade union worker said that over the years, the number of banana consignments to the market had been dwindling and headload workers were finding it difficult to make both ends meet. For the past several years, the INTUC had been the only trade union at the market. According to the police, only one group of workers was allowed to work inside the market. In early 2004, nine workers affiliated to the INTUC shifted their allegiance to the Shiv Sena and demanded that they be allowed to work inside the market. When their demand was rejected, they shifted allegiance to the CITU and procured an order from the State Headload Workers Welfare Board allowing them to work inside the market. INTUC workers challenged the order in the High Court. The dispute had been a cause of discord between the headload workers at the market. When the nine CITU workers announced that they would enter the market for work, the police were immediately deployed in the area to forestall any violence.

In order to curb violence, the KHLGWF asked members to behave politely with employers and customers, as well as other workers from rival unions, pointing out that the headload workers should use all their strength to bargain

## Organizing for Decent Work in the Informal Economy

for more benefits, which they deserved, from the employers. Raju says he always counseled his comrade workers to treat their customers as gods, as their survival depended on them. Further, he exhorted that the victory of workers anywhere in the world would always give him a sense of personal triumph. Among the headload workers of all shades, there would never be a clash of interests; whatever differences, they would only be temporary clashes of personalities.

### *Equation with party in power*

The political party in power sometimes takes the support of its trade union affiliates for granted and enacts laws that may not find favor with the workers or may have an adverse effect on them. The headload workers' union has made it clear that it would not meekly accept such government actions and has, on occasion, rebelled against the party to which it is affiliated.

In 2002, headload workers went on a one-day strike to press for the withdrawal of a law enacted by the state legislature imposing several restrictions on them.<sup>1</sup> The CITU said the strike was under the auspices of a Joint Action Committee of several unions including AITUC, BMS and INTUC. The Joint Action Committee put forth several other demands like streamlining the Headload Workers' Welfare Fund and ensuring the collection of the mandated 2 per cent 'risk fund' from the traders for augmenting the welfare fund.

Sometimes, the headload workers appeared to be going overboard in their enthusiasm to work as a close-knit group. In one instance, the registered workers tried to object to loading/unloading operations carried out by owner-transporters as illegal. A driver, A.E. Surendran of Kattakampal, who was loading and unloading his truck without hiring registered headload workers, approached the Kerala High Court for police protection, so that he could work without interference from headload workers.<sup>2</sup> The High Court turned down the plea raised by unions affiliated to CITU, INTUC and BMS, who filed a writ petition seeking a declaration that he was not authorized to do so. According to them, since Surendran was a truck driver and not a registered headload worker, he could do only domestic work and not loading and unloading work. The court, however, said it would not be illegal for the driver of a truck to carry out loading and unloading without employing registered headload workers.

The Kerala High Court has adjudicated in several similar cases and its judgments have paved the way for the regulation of the relations between employers and traders and workers and even between workers. In Kerala, trade unionism has been dominated by strong political parties, which are either part of the ruling or opposition formations.

### *Lessons learnt*

This case study throws up the following lessons:

- Employers will try to exploit as long as there is no resistance. At the first sign of unrest, they will negotiate so that business does not suffer.
- In a democratically elected political system, political parties have to take note of the demands of the workers, whose votes will determine their fate. In Kerala, the headload workers' plight prompted the political formations to take up their cause. Workers' leaders need to understand that this can be used to their advantage if the workers are not divided.
- Sometimes an event or a mishap can trigger a union upsurge, like the death of six workers in Palakkad brought all workers together.
- The workers in the unorganized sector can be a force to reckon with as members of civil society participating in the political process. Alternatively, they can play a key role in policy formulation if they are formal members of a political party. If their party is in power, the workers can ensure that it enacts laws for their benefit and pave the way for their implementation.

### *Summary*

Creating awareness among workers, presence of a strong and committed leadership, the support of trade unions and a friendly political party in power can generate a consciousness and solidarity among the workers. It was because of the persistent demands and struggles by the headload workers of Palakkad that led Kerala to become the only state where these workers could expect gratuity, pension, allowances and other welfare benefits.

The enhanced economic empowerment of union members is squarely due to the effort put in by trade unions, particularly CITU, which organized the unorganized headload workers in Kerala and created awareness about their rights and about the power of unionization. This has resulted in increasing their bargaining power with the employers and their associations.

#### **4.2.2 Matsya Mahila Karmikula Union**

The case of the Matsya Mahila Karmikula Union (Fisheries Women Workers' Union or MMKU) in Andhra Pradesh demonstrates the will power of women from the fishing community, who overcame years of subjugation. For centuries, the fisherwomen had been subjected to ill treatment, including physical and sexual violence, both at home and outside. Their sufferings were

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both physical and psychological. As a result, they had no self-esteem, lacked the aspiration to send their children to school and, did not even have the desire to dress well, for fear of being rebuked.

From such a state of ignorance and subjugation, they moved to the conviction that they had got themselves an equal say in managing their work and families. They have traveled a long way. The fisherwomen today contest elections, shop for their children and for the family from their own earnings, and attend meetings sometimes even in the neighboring towns, traveling by bus and spending the whole day outside their homes. They organize meetings in their own wards (a local electoral unit of the town), attend evening classes of adult education programs organized by both governmental and voluntary organizations and are engaged in many activities.

The founder of the MMKU, Suseela who is currently the working president of the union, has been politically active since the early 1990s.<sup>3</sup> The union, which was set up in December 2002 under the INTUC banner claims that it is the first Indian union for fisheries' women workers to be headed by a woman.

In the initial days, the INTUC leadership played a big role in setting up the organizational structure to bring together the unorganized fisherwomen. According to Dr Sanjeeva Reddy, President of the INTUC "Indian women, for that matter woman everywhere, are fire. It is a matter of time before they shed their inhibitions. They can define their destination and quality of life." That is also the premise of the union leadership.

The main objective of the union activity was to build a new society, which releases the potential of human beings, reconciling them with labour and nature. The question of women's emancipation arises within this context, as a matter of right. The key to emancipation was awareness, education, political mobilization and entry into the modern sector of the economy.

#### *Situation before union formation*

The work of the fishing community is extremely hazardous, with no guarantee of their safety when they are at sea.<sup>4</sup> When they return in the evening with their haul of fish, they spend time drinking and, when intoxicated, are often cruel to their wives. It is the women who generally suffer more. They brought the fish to the markets to sell them.<sup>5</sup> The money was handed over to the men and normally, went to the moneylender or/and arrack seller. They had no role in decision making at home or outside and had to account for every rupee they spent. They had no choice in the purchase of clothes for them or their children or to ensure minimum education for their children. During elections, they had to vote for the person decided by the

head of the family. They were treated as vote banks of political parties which made no efforts to create awareness among them. They could not organize any meeting, but had to blindly follow the men when they attended rallies. They were greatly exploited by their own men and outsiders in receiving payment for the fish.

### *Origin and trigger point*

Machilipatnam, where the case is based, has 36 wards. In October 1992, the local municipal officials, along with some teachers, decided to create awareness among the fish workers and conduct blood donation camps. The municipal teachers took the help of Suseela, a progressive union oriented individual, and the blood donation camp was extremely successful. Suseela took them to urban wards and slums where she exhorted the people to donate blood. At the camp, people were receptive and participated actively. Heartened by the response, the municipal teachers advised Suseela to be the convener for an adult literacy program called *Akshara Krishna*. Suseela began the literacy program in one of the most backward wards. Though around 5,000 people were expected to be beneficiaries of the program, only 80 women attended, to start with. However, the number swelled to 200 by 1993. As of November 2004, the adult literacy orientation programs have ended as everyone can read and write.

Before leaving the blood donation camp in October 1992, the municipal teachers suggested that the women should attend the flag-hoisting function in the municipal office on 1 November, the anniversary of the formation of the state. However, the women stayed away out of fear of their husbands. Suseela, however, went and found that the municipal office had not invited any woman. This made her restless and agitated. The success of organizing the blood donation camp coupled with the humiliation on the occasion of the flag hoisting galvanized some women into action and, under Suseela's leadership, they began to think of organizing the fisherwomen. Although Suseela belonged to a backward community, she had higher aspirations. She felt that she could make a start by organizing the fisherwomen. She chose the Gitikala Dindi ward where the fish workers community dominated. From December 1992, she started visiting the community regularly. It was a tough task as the ward was not well connected to the main town. Suseela had to walk at least half a kilometer from the bus stand to reach the community, enduring the hostile gazes of the men in the area, who perceived her as an adversary and someone instigating their women and children.

Despite the physical hardship and initial resistance from the women, Suseela valiantly went ahead in her efforts to organize them. Initially, only one or two

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women used to interact with her. Slowly, her personal conviction and charisma attracted other women to gather. She used to speak from her own experiences and exhorted the women to play a role in improving their quality of life.

During their interactions, the women discussed the consequences of their spouses' alcoholism, non-availability of water, child labour, benefits of education, the government schemes applicable to them and other subjects that concerned their daily lives. Consciously or unconsciously, the strategy in the interactions was to "touch them with their problems and concerns, tell them that they can endeavor as a union to solve them, and they are with you". The intent, which was to emancipate them from the bondage of gender weakness, strengthened the strategy. Resenting this, some men of the community accosted Suseela when she was entering their area one day. She then complained to the police, who arrested some persons on criminal charges. In addition, a constable began to accompany Suseela to the area. The men started feeling frightened. The women started openly defending Suseela and 15 women stood by her, which was the start of collective action and union formation. They told their spouses, "it is our issues she is discussing. You are not to interfere."

### *Union formation*

Quite a few changes took place as a result of the women coming together. Within a very short time, the women understood the strength of being together. Although the men folk continued to shout at them for going out of their homes to meet the other women and discuss issues of home, market and society, the women started taking charge of their homes more resolutely.

### *Hygiene orientation*

Earlier, the women had not bothered about their personal hygiene and dress. However, with the exposure gained from group activity, they tried to keep their homes hygienic and they also started attending to their dress more carefully. Earlier, the men never tolerated their women going out decently dressed and would abuse them vulgarly. The stereotype image of a fisherwoman — that of a woman in an untidy dress with sweat on her face and smell of fish — is no longer a reality today.

### *Rights orientation*

Earlier, the women used to fetch water from a long distance. After their interactions with the union, they felt emboldened to go to the municipal office

to demand a water tap for their neighborhood and managed to get it. This small incident made them understand the power of a group and this increased their confidence in the union. Soon, the men started to look at the women and their leadership with a new respect. They began to give way to them in the street. When women, Suseela, in particular, approached them, they stood up and spoke respectfully. One woman, through her sheer drive and native intelligence was responsible for these changes. She instilled confidence in the fisherwomen to form a union and better their lives.

### *Demonstration of collective will*

On 15 August 1994, on the occasion of Independence Day, as a token of respect, the women hoisted the national flag and 400 women and children participated enthusiastically. The local ward councilor, other area leaders and elders objected to women's participation in the event. The local Congress Councilor negotiated with them and brought peace without compromising on the strength of the assembled women. Those objecting to their presence were told that the women could take up "male" domination as an issue. On the other hand, if the men cooperated, they could depend on the women and even join their movements for their area development, which would make them also popular. The men agreed.

### *Health and family well-being orientation*

By December 1993, the membership of the union had grown to 60. The women organized a medical camp in association with the Lion's Club. Malnutrition among children was common in the area and there was a lack of awareness among women on childcare and health. The attention to children's health at the camp impressed everyone, with the women union members disseminating information on government schemes like old age pension scheme, free education and marriage allowance for the girl child and financial assistance to the physically challenged. Organizing the workers includes not only building camaraderie, but also looking after their physical and mental well-being. During this period, INTUC sponsored Suseela to attend a training program organized by the Central Board for Workers Education in Vijayawada to increase her knowledge.

### *Organization on local issues*

The men in this ward began to see their women as doers. The fisherwomen demanded house sites when they lost their homes in the 1994 cyclone.<sup>6</sup> They met the ward councilor along with the ward members. Together, they represented before the local administration and the Mandal Revenue Office.

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The officer concerned said that they needed to look into records, hold an inspection, besides conducting a survey on the impact of cyclones on houses. The union volunteered to initiate the survey as they had been staying there for 40 years. The officer agreed to initiate and complete the process at the earliest, but did not do so. The union, however, followed up the matter persistently and authorized its working president, Suseela, to pressurize him. Suseela adopted a novel form of protest: she would go to the Mandal Revenue Office every day and sit outside in a place where the officer could not avoid seeing her. She would not ask anything, but would sit silently for three to four hours and then leave for home. This silent pressure worked and the community now has new houses, young boys and girls have learnt hygiene habits, children now receive education and there is less alcoholism in the area.

In December 1994, the Andhra Pradesh unit of the Congress Party organized a meeting of women in Machilipattinam. During this meeting, the fisherwomen's determination came to the fore and it was evident they could not be taken for granted when it came to organizational positions. The women stood for three hours in rain and did not leave the premises. Suseela was elected as the State General Secretary of the party. The fact that women were gaining power in the party was not liked by the men, including those from other parties. The local member of the legislative assembly (MLA), who belonged to the Telugu Desam Party (TDP), which was then in power, tried his best to stall matters. When the survey was finally completed in July 1995, the District Collector could not act on the report and he sent it to the state headquarters because the MLA was not favorably inclined to adopt this. The fisherwomen were thus faced with a crisis. The State Housing Board had agreed in principle to construct homes for them. They, however, needed a sanction order from the government, which depended on the survey report on the availability and ownership of the site. Twelve party members went to the state capital of Hyderabad in August 1995 to meet the chairperson of the state women's wing of the Congress Party. The response, however, was lukewarm. Suseela then went alone to Hyderabad in September 1995 to meet the then Chief Minister N Chandrababu Naidu and managed an audience with him. She did this, undaunted by the fact that he belonged to a rival political party. She met the personal assistant to the chief minister, who lent her a sympathetic ear and heard her story. She was then ushered into the Chief Minister's chamber. He also listened to her and appreciated the sincerity of her purpose. He immediately called the District Collector and asked him to do the needful. By the time Suseela returned home, the survey report had reached the authority and the Housing Board took a favorable decision. The cyclone-affected houses were rebuilt in 1996.

### *Backlash*

Suseela's strategy to expand her role is to reach out through known people who are beneficiaries of her endeavors and leadership. She has been going to places, sometimes uninvited, to make fisherwomen aware and to organize them. This daring approach has not been without threats. On 27 August 1998, she was attacked by an unidentified person and was hospitalized for a month. The INTUC has recognized her as a self-made leader. They have acknowledged the fact that she has lent strength to the INTUC in the Krishna district, where she could mobilize women.

### *Lessons learnt*

This case suggests that the small unions, after winning the confidence of the local targeted membership, can derive strength from the national center to get the things done at higher levels of administration. This becomes possible if the hands of the local leadership are strengthened and they are given responsibility by being co-opted into the higher leadership structure wherever feasible.

The following tactics may be considered when trying to organize the unorganized workers:

- Identification of leadership within the local unorganized community.
- Design and development of local and workable strategies with clear and transparent intent.
- Identifying the barriers and dealing with them. For instance, the women did not allow themselves to be cowed down by their spouses; but took the help of the police when necessary
- Adopt a strategy of inclusion when solving local issues, political differences notwithstanding. The need for others to collaborate is given so much importance that if they do not lend support, they tend to get discredited.
- Look out for persons with aspiration and restless energy and provide them the necessary training and create awareness of their skills of comprehension.

### *Summary*

The women's union has not yet managed to get any legislation passed to protect their lives, nor are there any welfare schemes exclusively for fisherwomen. However, because of their united stand, they have become more

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confident and feel that they are successful only because they can now stand up to say what they want, either at home or outside.

### 4.2.3 Rice Mills Mazdoor Sangh, BMS Affiliate

One of the parameters of success in organizing the unorganized workers is their success in first organizing themselves and, thereafter, to enter into collective bargaining agreements with their employers. The collective bargaining agreement is the first step towards ensuring cohesiveness in the group being organized.

After sustained union activity, the Rice Mills Mazdoor Sangh, Hyderabad, entered into two-year collective bargaining agreements with the Ranga Reddy Rice Millers' Association, Hyderabad. The activities in the rice milling industrial unit are listed and the piece rate for each activity has been fixed, mostly after protracted negotiations between the two associations — Rice Millers' Association and Rice Mill Workers' Associations — overseen by the Labour Department officials.

Starting the rice mill workers' union took a long time. The rice mill owners, with their semi-feudal orientation, did not take kindly to unionism among their workers. The workers and owners hail from villages and semi-urban areas with an agricultural background. In rural areas, the landowner who has some entrepreneurial traits starts a rice mill and employs rural people. The landowner cum-rice miller is generally paternalistic in his attitude and approach to workers; this means that he alone decides what the workers should get. The underlying idea is that it is his will rather than productivity of the workers that decides their wages.

#### *Situation before union formation*

The rice mills are scattered across the rice-producing areas of the state, though there are some flour mills in the urban areas as well. A majority of the mills are small in size and there are only a handful of large ones. The rice mills and flour mills are generally active only during the harvest season. The rice mills producing boiled rice may not be in a position to work during the rainy season. As a result, employment for rice mill workers is usually temporary and they turn to alternative employment when work is not available in the mill. The mill management rarely records the length of service of any worker correctly in order to avoid paying the benefits due to them, nor are proper records maintained. Violation of labour laws is rampant. Employment in rice mills has been listed as scheduled employment under the Minimum Wages Act. However, minimum wages are not paid in practice. The penal provisions

are not stringent enough to be a deterrent. Even these meager wages are paid on an ad-hoc basis, with the employers arbitrarily deciding whether or not the work was up to the mark. If the worker protested, he found himself out of a job and no other rice miller willing to employ him. The worker's family members would also be made to work in the mill owner's house.

The workers are prone to develop respiratory disorders because of the nature of their work. Since most mills do not employ more than nine workers, they are not covered under the provisions of the Factories Act. The emphasis here is on how even existing legislation is defeated due to lack of organization among workers and due to their inadequate strength as each rice mill operates as a stand alone unit when it comes to workers, while it is a collective entity when it comes to rice mill owners protecting their well-being, or when it comes to, for instance, procurement and levy policies of the government of Andhra Pradesh. All these laws also have a threshold level of employees for units to come under their purview. However, the Central Government has notified the rice and oil mills under sections 85 (1) of the Factories Act, which empowers state governments to bring certain units under the purview of the Act. The workers are from the rural areas and are largely ignorant of their rights and privileges.

### *Origin and trigger point*

The BMS strategy to unionize the rice mill workers was to rid workers of one rice mill of their fears. They chose the Karman Ghat area rice mills in the Ranga Reddy district on the outskirts of Hyderabad. The reason was that the BJP (with which the BMS was affiliated) was active in that area and the party workers helped in wooing the workers. Social contacts were used to lead the workers into a discussion about common problems like price rise and the discussion would be steered towards working conditions in the mills and all other related problems. The frequency of such discussions had the desired effect on the rice mill workers who began to realize that their pay and working hours were not in line with the minimum wage standards. They also did not want their children to lead similar lives. The interactions between the activists who wanted to start the union and workers became more frequent. Soon they were ready to give up their submissive attitude. However, the BMS leadership dissuaded the workers from rushing into action and pointed out that unless all the affected workers were involved, such action would not have the desired effect and that collective action was necessary.

The BMS activists asked for a meeting with the rice mill workers as a group. The first meeting took place very late in the night, lest the employers get to know. A few meetings took place, thereafter. The spirit of association and strength got into the workers' psyche. As an association, the workers asked for

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better wages. Seeing the change, the rice mill owners gave in and worked out a new scheme of payments. Later, using this example, the political workers reached out to workers in other areas and the movement spread. For example, some of the Karma Ghat rice mill workers had relatives in the Uppal rice mills, located a little distance away, and they exchanged notes during social occasions. The workers' relatives showed interest and asked questions about how the Karma Ghat workers had managed a change for the better. Gradually, they began thinking, "Why not we follow our co-workers, relatives and friends in the other rice mill?" In organization behavior, it has been shown that the demonstration effect plays a big role in human behavioral modification to gain courage. The leadership was an important element of this process.

The BMS leadership believed that although it could provide the guidance on strategy, the union leadership should come from regular members. The idea seemed to be that BMS should bring up new leaders drawn from the grassroots level.

The Uppal rice mill workers too formed a group and some of them went to their employer and asked for increased wages and better terms of work. The employer refused and felt outraged and admonished the rice mill owners of Karma Ghat for setting a precedent by succumbing to the workers' demands. However the Karma Ghat mill owners reasoned with him, pointing out that resisting the workers was futile now that they were organized. The BMS spread its activities to other mills in the area in a similar fashion. It also encouraged the emergence of union leadership from among the workers. They started having negotiations with a cluster of five mills in the Ranga Reddy district.

### *Benefits of unionization*

Sri Hari, an active member of the BMS in Andhra Pradesh feels that the BMS intervention in organizing the unorganized rice mill workers has improved the collective action among workers. However, much more needs to be done in terms of insurance for accidents and old age, paid leaves and educational allowances for the children. While the piece rates arrived at through the collective agreements can help meet the minimum daily requirements in addition to minimum subsistence, it is not adequate for contingencies.

The rice mill workers work for more than 10 hours a day. They felt that those engaged in other vocations and working for just eight hours are able to get a better standard of living while they have not been able to achieve a reasonable living standard even after working for 10 hours. This holds good for almost all unorganized workers. The state or any user of the products and services of unorganized sector workers spend precious little on the human capital of unorganized workers. They do not provide any security to them

against sickness, accidents, death and old age, nor do they provide succor during emergencies.

The Rice Mills Mazdoor Sangh and the BMS leadership are happy with the progress in organizing the unorganized. The following measures could help strengthen unions of the unorganized and can even be the basis for bringing different political formations together.

- Persons aged 18 years should be recognized as workers
- Workers in the unorganized sector must secure wage and termination benefits and be covered by all labour laws.
- Since 1980, the BMS has been demanding that blue collar and white collar workers should be given identity cards to ensure social security. If employers are not willing to do so, the government should take up the task.
- At least 1 per cent of planned funds should be used for information technology tools to implement the identity cards scheme and the widespread network of post offices/bank branches can be used for the disbursement of benefits.

### *Lessons learnt*

The following lessons can be learnt from this case:

- The spirit of unionism needs to be infused into the unorganized in a systematic way. This can only be done by first understanding the psyche of the workers, who have submitted to the feudal system for centuries and bring them out of it. It is then necessary to mingle with them in a non-threatening environment, share their concerns and explain how collective action can help.
- The leadership of the union must come from among the workers rather than from outside, as that will make the process of unionization sustainable.
- Success stories have a demonstratable effect and helps the union movement to spread. Workers in other areas will definitely start thinking about their plight and emulating their peers. Once the workers start thinking of some sort of group action for their improvement, the union spirit finds a good breeding ground.
- The collective bargaining agreements ensure the passage of laws in due course, as they are the result of collective action. Once employers and workers start negotiating with each other, they start understanding each other.

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### *Summary*

The BMS chose rice mill workers to organize the unorganized. They have now begun entering into collective bargaining agreements periodically. However, they are yet to secure a welfare board that may ensure termination benefits, welfare allowances and accident insurance. The case indicates that there may be collective action from all unorganized rice mill workers spread over a district to start with and thereafter over the entire state.

#### 4.2.4 Construction Workers' Union in Tamil Nadu, AITUC Affiliate

AITUC's approach and activity frame never left out the unorganized workers. Group meetings at the AITUC Congress during 1960–61 dealt with notices, opinions and documents of meetings of various groups connected with different industries, like rickshaw pullers, bidi workers, and so on. "The areas of construction in urban locales and agricultural workers on the rural front have been our areas of concern and struggle,"<sup>7</sup> says T.R.S. Mani,<sup>8</sup> secretary, Tamil Nadu AITUC and member, Tamil Nadu State Council of the CPI.

The AITUC has been organizing awareness and orientation programs, workers education programs and political discourses. The AITUC encourages grassroots level organizers to expand their activity, to start new units/unions affiliated to AITUC and, thereby, empower many more individuals with leadership/organizational roles.

#### *Situation before union formation*

The living and working conditions of construction workers, particularly those who are migrants from other states or other parts of Tamil Nadu, were pathetic. The workers were not paid — and were not aware of — the minimum rates prescribed by the Minimum Wages Act. Women workers were paid half of what men were. In 2000, a male worker earned around Rs.40 per day, while a female worker would be paid just Rs.20 per day. Job uncertainty was high with no guarantee that workers would be employed in the next project after one project ended. Workers faced innumerable problems — constant change in work places, lack of accommodation, food and transportation. Women workers were particularly vulnerable because many belonged to low caste groups and had fled their native areas to escape oppression. They migrated to the city in anticipation of some work to make ends meet in a dignified way.

The poor workers and their families were exploited by unscrupulous employers who took advantage of their state by offering them employment on

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pathetic terms. Girls who had dropped out of school took up this occupation to augment their meager family incomes. They lived in groups, away from families. Some women workers also used to live in slums, where the living conditions were extremely unhygienic. Due to lack of proper sex education, the migrant workers used to visit sex workers and were afflicted with disease. When they went back to their homes, their spouses got affected. The reduction in the well-being of both the spouses made migration more a harmful proposition than a money-making one.

### *Union formation and trigger point*

The catalyst for the Construction Workers' Union was Dr. Ravindran, a medical doctor with communist leanings, who lived and practiced in Tambaram near Chennai. His clinic in a semi-rural, semi-slum area was accessible to all even at odd hours. His patients came mainly from the lower socio-economic class and his kindly disposition, sympathetic treatment and communist way of thinking enabled him to develop a friendly equation with them. He realized that quite a few of his patients' families had been casual labourers and that they had no credible leadership. He decided to take up their cause, along with a few like-minded friends. They knew that it would not be an easy task to organize the unorganized, illiterate migrant workers and that the resistance would be more from the affected persons themselves.

They mobilized 29 construction workers (13 men and 16 women) and got the union registered on 15 November 1998. The first district workers' conference took place on 8 August 1999 at Mathurantakam in Kancheepuram district, at which 391 persons became members. The membership rose to 1,000 in April 2000 and to 1,800 by April 2004. The second conference took place on 29 December 2002. The union members started agitating for better wages and paid leave as well as appropriate compensation for accident victims. In 2001, one of the member workers died while working. But the police did not file a first information report. Dr. Ravindran and his colleagues led a demonstration and forced the police to register a case and pursue it to its logical end. This episode resulted in workers reposing faith in their leadership. Dr. Ravindran and the union tried to draw in more workers from the area through meetings, demonstrations and agitations.

Two construction workers — migrants from Andhra Pradesh — died and another was injured when they fell from a multi-storied building at Kilpauk in Chennai on 30 May 2004. According to the police report, the workers were perched on a very high iron scaffolding to carry out construction work on the top floors of the building, when one side of the framework gave way. Because of the unions' previous efforts, the police did not delay action like they used to earlier

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and registered a case of negligence against the civil contractor involved in the construction of the residential complex, without any pressure or demonstrations by the workers or unions. This incident, along with a few others, demonstrates that the union activity among construction workers is showing results.

### *Union strength and local elections*

There was another union near Tambaram, which comprised of construction workers making thatched houses, which required special skills. Though they were more confident because of their special skills and more healthy, their incomes were uncertain and their living conditions pathetic. In 1998, they established the Thiruvalluvar Kudisi Veedu Kattuvor Nala Sangham (the Thiruvalluvar Hut and House Construction Workers Welfare Association). Dr. Ravindran, who used to treat some of the members of the association and visited their area, discussed their problems and gave them the idea of uniting with other construction workers in the same area. The two unions merged in May 1999. The merged union organized local rallies and demonstrations to demand minimum wages, compensation for accidents, transport of the persons to their native place in times of emergency and the creation of proper procedures for the effective working of the Construction Workers' Welfare Board.

In 2000, some of the union members contested the panchayat elections and a few won. Mrs. Chinna Ponnu, vice-president of the district union, was elected as ward councilor in Tambaram panchayat (Kancheepuram district). Her term ended in April 2005. The solidarity of the union members during the elections helped the workers get a political voice and they increased their membership. They began propagating their message through Tamil dailies in which they talked about "organizing themselves" with the guidance of a national political party committed to the cause of labour. There are more than 100,000 construction workers in the district and more than 2.5 million in the whole of Tamil Nadu alone.

Forty-seven construction workers were taken into custody after they attempted to stage a protest by cooking on the streets demanding ownership deeds (*pattas*) for free house sites. They were released later. According to the agitators, 37 construction workers had recently submitted applications to the revenue authorities, seeking *pattas*. However, 30 of the applications were rejected by the authorities.

The agitators, along with their family members, were detained after they attempted to take up cooking (*soru pongum porattam*) on the roads in a symbolic agitation to highlight their plight. The Construction Workers' Union urged the state government to provide a monthly pension of Rs.1,000 to those workers who were 60 years of age or more. It also urged the government to

extend accident compensation, provident fund and bonus to the construction workers who had registered with the Construction Workers' Welfare Board and provide free house site *pattas* to those who did not possess houses.

### *Tamil Nadu Construction Workers' Welfare Board*

The efforts of the union received a boost with the formation of a welfare board. The AITUC, along with other unions, was responsible for the formation of the statutory board for the benefit of the construction workers through rallies, demonstrations, agitations and political party activism.

In 2003, 5,19,870 construction workers who belong to all political and union formations were registered with the Board and Rs.12.9 million had been collected as registration fee at the rate of Rs.25 per worker. For the quarter ended March 2004, 16,360 construction workers had registered with the Board and Rs.409,000 had been collected as registration fee. Identity cards were issued to all registered construction workers free of cost. Every registered construction worker could renew his membership once in two years by paying Rs.10 to the Board.

The Board also receives contributions from all persons and agencies taking up construction work at the rate of 0.3 per cent of the estimated cost. The local bodies while approving the building plan, collect and remit the amount to the Board. In 2003, Rs.201.5 million was remitted to the Board and in a quarter ended 31 March 2004, Rs.65.4 million was collected. As of April 2004, the Board had Rs.700 million of revenue.

Mani, who is a member of the Welfare Board, says that the concept and mechanics of the Board have evolved through a series of struggles. As of now, the welfare delivery system through the Board can prove to be effective because it has the necessary funds. Every time a new construction is approved by the authorities, 3 per cent of the estimated value of the construction needs to be deposited with the Board. The process of getting funds, therefore, is simple and effective.

About 40,000 AITUC affiliated construction workers are members of the Welfare Board. Mani says that the Welfare Board is not an end in itself and that welfare to workers is not a charity, but their right. The comparison between their life before the agitations and one year after joining the Welfare Board is not a yardstick for contentment. They should improve, by choice and continuously.

### *Schemes implemented by the Board*

*Group personal accident insurance scheme:* All registered construction workers have been insured under the Group Personal Accident Insurance Scheme, with the annual premium being paid by the Board.

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Table 4.1: Benefits from group personal accident insurance

Benefit	Amount (Rs.)
1. A Accident death	100 000
B Loss of limbs, eyes, etc.	up to 100 000
2. Natural death	10 000
3. Funeral expenses	2 000
4. Educational assistance (for two children of the employee)	
(i) 10th standard pass	1 000
(ii) 12th standard pass	1 500
(iii) Regular degree courses	
For each academic year	1 500
For hostel	1 750
(iv) Regular post graduate courses	
For each academic year	2 000
For hostel	3 000
(v) Law, engineering, medicine, veterinary medicine & allied professional courses	
For each academic year	2 000
For hostel	4 000
(vi) Post graduate professional courses	
For each academic year	4 000
For hostel	6 000
(vii) I.T.I. or Polytechnic Education	
For each academic year	1 000
For hostel	1 200
5. Marriage assistance (for two daughters)	2 000
6. Maternity assistance (two births)	2 000
7. Reimbursement of cost of spectacles (1 000 workers per year on first-cum-first served basis)	250

In 2003, Rs.38.6 million was disbursed to 12,988 beneficiaries under the various welfare schemes. During the quarter ended 31 March 2004, Rs.15.4 million had been disbursed to 4,312 beneficiaries.

### *Lessons learnt*

The following lessons emerge from this case study.

- Struggles yield results when there is a unity of purpose, even if groups involved have different political or ideological leanings. The AITUC joined hands with other trade unions and with independent local unions in its struggle for the unorganized workers.

- It is desirable to accept the benefits granted by the government even if they may fall short of the demands. Later, unions can build upon this gain and renew demands for better terms. Benefits that accrued from the Welfare Board came after a significant lag following its constitution. The sustained efforts of the unorganized workers and their leadership could secure some genuine benefits for the unorganized workers.
- Ideologically motivated persons can carry the mantle of struggle for the benefit of unorganized workers. Dr. Ravindran became a leader and used his acumen and contacts to organize the unorganized and scattered construction workers.
- Personal contacts may be leveraged to contact suspicious workers and spread awareness among them. Because the medical doctor had been treating the workers, they would listen and, in the process, began getting influenced. Once their thinking faculties are stimulated, it would be a matter of time before they derive courage.
- Collaboration with a feudalistic union may be a tactical measure to break into a feudal system operated in the garb of a union. It only happened when Dr. Ravindran collaborated with the hut men's union to enter the area.
- The sense of timing while making demands is important. Rallies and demonstrations in which large numbers participate are tools to show the power of the union.

### *Summary*

The struggle for the protection of the rights of the unorganized construction workers in Tamil Nadu has been a long drawn one. The situation, though far better than earlier, needs to improve with more certainty of benefits to construction workers of all types. The joint efforts of all trade union centers led to the present state of Welfare Board orientation. Their continued struggle together may yield sustainable results and more robust legislative protection.

#### **4.2.5 Orissa Kendu Patra Karmachari Sangh, HMS Affiliate**

Orissa has a high concentration of scheduled tribes (ST) and scheduled castes (SC).<sup>9</sup> The forests have an important role to play in the state's economy, with a large number of rural SCs and STs earning their living from forestry activities such as the kendu leaf trade.

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Kendu leaves (*Diospyros melanoxylon*), which are used to wrap traditional Indian cigarettes (bidis), are found in abundance in Orissa. Trade in kendu leaves accounts for 75–80 per cent of the state's total forest revenue. The state has a recorded forest area of about 58,135,47 sq. km (constituting 37.34 per cent of the state's total geographical area). The actual forest cover accounts for 31.36 per cent of the geographical area, of which 13.40 per cent is open degraded forests. Orissa accounts for 13 per cent of the total kendu leaf production in the country with the best quality leaves. In the pre-independence period, kendu leaf contracts were awarded on a long-term basis to only a few traders.

In 1973, the kendu leaf trade was nationalized. Prior to this, kendu leaf traders dominated politics in Orissa. The early 1970s saw many 'socialist' reforms in India, with the Central Government nationalizing banks and introducing ceilings on agricultural lands. It even tried to completely take over the grain trade. Mrs. Nandini Satpathy, the then Chief Minister of Orissa, who was a left-wing politician, banned direct purchase of kendu leaf from pluckers by traders in 1973. This was a strong-intended action by the government and state monopoly replaced the private monopoly. A separate wing was created within the Forest Department to undertake the trade.

In Dhenkanal, 14 per cent of the population is tribal, comprised the Juang, Munda, Saora, and Santhal tribes. These groups work with the Pipar tribe. A *sahi* (village sub-group) of tribals lives on the outskirts of each village and they are more dependent on the forest than other villagers because they often have no land of their own. An average tribal family draws about half its annual income from forests, 18 per cent from agriculture, 13 per cent from cattle and 18 per cent from other employment.<sup>10</sup> Approximately one-third of the products gathered from forests were traded. The tribal families tend to organize among themselves to protect and collect forest products.

### *Organization of kendu leaf workers*

The first steps towards organizing the kendu leaf workers were taken by philanthropic-minded aristocrats. Suryakant Das, a retired professor from Utkal University, Serangthar Dash, a veteran socialist leader and Member of Parliament and a few others helped create awareness among the workers about their rights and the strength of group efforts. They also instilled in the workers the courage of conviction to struggle and make sacrifices for the realization of their rightful place in society.

Prof. Das published a report in a newspaper that scientific research had revealed the possibility of extracting kormone, a medically useful substance from the kendu leaf and that the leaf had cancer preventive properties, making

the bidis suitable for smoking by Americans. The cost of a bidi was just 5.7 pence in the United States making it a highly tradeable commodity. Given these facts, he said he was pained to see the miseries of its pluckers who enriched the state exchequer by over Rs.1 billion every year. Long before nationalization, Serangthar Dash (who died in 1957) published a booklet which described the miseries of the kendu leaf workers and highlighted how the trade had enormous potential and distributed this in Parliament. At that time, private traders, who had taken the kendu leaf areas on lease and were exploiting the workers.

The kendu leaf workers were primarily tribals earning their living from the forest. Forest-based employment includes collection of honey, reeds, tamarind and spices and includes every physical endeavor to collect and segregate forest products of economic importance. It is mainly a tribal family vocation, which remains unorganized. The male workers, followed by the women, trek into the interiors of the forest in search of forest products. These workers are employed by contractors to collect forest products in a given area on a tender system.

The workers are not only poor but have a primitive lifestyle. Whatever the historical reasons behind their condition, it was imperative to improve their lot and bring them into the mainstream. They were susceptible to fatal injuries and other risks and needed to be protected adequately.

### *Orissa Kendupatra Karmachari Sangha*

In 1964, veteran trade union leader, Biswanath Pandit registered a trade union called Orissa Kendupatra Karmachari Sangh (OKKS), which was affiliated to the HMS, and undertook extensive tours of the remote areas of the state. He inspired the HMS leaders to take up the cause of these downtrodden workers. It became a big political issue in Orissa and under the stewardship of Pandit, kendu leaf workers launched state-wide movements for the nationalization of the trade in order to end their exploitation.

However, the exploitation of the workers continued even after nationalization. The OKKS submitted a charter of demands in 1981 relating to wages, service conditions, social security measures and other fringe benefits. The government, however, paid no heed. Even, the Labour Department did not enquire into complaints of dispute between the management and the union. After a great deal of persuasion by Pandit, the Labour Department initiated conciliation proceedings, which ended in failure. The workers here are from tribal families; there was no need for the same person to work for all the day light hours. The person, may be a lady member of the family, may excuse herself from work to prepare food. It was uncharitable on the part of employers there fore, to call them unidentified and innumerable stray workers.

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Just to emphasize the employers' attitude, which is known to persons familiar with the workings of employers and trade unions the expression was included. In fact, the lines that follow make it amply clear. Further, they argued, there was no master and servant relation between the pluckers and the management, but it was more of a buyer-seller relationship.

With the Labour Department endorsing the stance of the management, the kendu leaves department of the Government of Orissa kept the failure report in cold storage. Pandit, however, did not give up and filed a writ petition in the Orissa High Court, which directed the Labour Department to reconsider the report of the failure of conciliation and do the needful within two months. Since the government refused to refer the issue to the Industrial Tribunal for Adjudication, Pandit again approached the High Court and asked it to refer the disputes to the Industrial Tribunal. The High Court identified seven points of dispute fit for reference to the Tribunal and directed the government to take necessary action under law. For the first time in the history of the labour movement, the unorganized workers got a chance to step into the legal arena to redress their grievances.

The Industrial Tribunal of Orissa registered the case and took it up for hearing. The management challenged the legality of reference in the Supreme Court, which dismissed its appeal. In its award, the Industrial Tribunal held that since the pluckers were selling their labour, the kendu leaf workers had the right to be called "workmen" as envisaged in the Industrial Disputes Act. The Tribunal not only directed the state government to give some benefits to the workers, it also asked it to set up an independent one-man wage commission to formulate wage structure and service conditions for the workers.

Though the directive was issued in March 1990, the government did not take any action and the workers resorted to direct action. The union organized a series of rallies, demonstrations, *dharnas* and public meetings to press for the setting up of a wage commission. Finally, in November 1992, a retired district judge, B.S. Mishra, was appointed as a single person wage commission and he submitted his report in November 1993. The government then kept the report in cold storage for a long time. The union launched many struggles at different stages and resorted to road blockades on 4 April 1994 demanding the implementation of the commission's report. Around 200,000 women workers participated in the struggle and 80,000 courted arrest. The then Chief Minister, Biju Patnaik, remarked that, for the first time after Independence such a vast number of women had come out of their homes in this fashion. He entered into an agreement with Pandit accepting all the demands.

The government, however, did not act according to the agreement. Discontent amongst the workers mounted. Since the kendu leaf workers were scattered across the entire state and were poor and illiterate, they lacked the

bargaining power that the organized sector workers had. However, their mounting dissatisfaction was reflected in the 1995 parliamentary and assembly elections when people from the kendu leaf trade scored surprise victories in 40 Assembly constituencies, defeating ruling party candidates.

However, Naveen Patnaik's Janata Dal government, which came to power with the tacit support of the kendu leaf workers also did not render a fair deal to the poor workers. The Sangha continues its struggle — both in the streets and in courtrooms — to secure the rights of the workers. Jogendrenath Tripathy, General Secretary of the OKKS notes that neither the “garibi hatao” (remove poverty) nor the “social justice” slogan changed the pitiable conditions of the workers. The celebration of the golden jubilee of Independence has become a mockery for them and that they had to wage a long protracted struggle for everything.

### *Kendu leaf trade and employment scenario*

The kendu leaf trade offers one of the largest employment opportunities in rural Orissa. The trade, which covers plucking the leaves, drying, stacking, storing and transporting them, provides employment to 950,000 pluckers. Bush cutting, *phadi* (collection centers for kendu leaves) repair, processing and binding of kendu leaves generated wage labour to the order of 6.5 million working days in 2003. The price offered for kendu leaves has been revised since 2002 to 20 paise per 21 leaves with one-paisa incentive for each extra 20 leaves.

The numerous kendu leaf workers in Orissa are concentrated in around 20 constituencies. Despite the fact that they could be an important vote bank, their economic status is pitiable. This paradox may be because of the following reasons:

- Elections are held only once in five years.
- The enthusiasm and commitment of the social leaders in mobilizing the workers had not been in an organized format and was dependent on a particular leader. If the leader was no longer present due to age or death, it took some time for another leader to emerge.
- The workers had been subservient for a long time and prodding them into action was not easy. Moreover, the workers associated protests and struggles with starvation for the duration of the protest. They preferred subsistence for each day, rather than fight for a prosperous life in future.
- Perhaps that is why the leaders opted to resort to legal remedies rather than take the path of struggle. However, legal battles take a long time.

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### *Collection and processing responsibilities*

While the Forest Department deals with the pluckers and other workers involved in sorting and bundling, the OFDC deals with private traders and the *bidi* trade. Under the new arrangements, the difference between established traders and new entrants did not exist. Anyone who wanted to be in the trade had to buy kendu leaves in open auctions conducted periodically by the Orissa Forest Department Corporation (OFDC). The role of private traders in political manipulation was considerably reduced and scandals revolving around the kendu leaves trade that used to rock the state legislature ended. The annual production of kendu leaves increased from an average of 26,000 tonnes between 1948 and 1972 to an average of 41,000 tonnes between 1973 and 1999. The net annual revenues to the state increased by almost five times at constant prices in 1980–1981, from an average of Rs.58 million to Rs.315 million.

### *Improved well being*

Payment to the pluckers has increased over the years. During the period 1973–2000, the payment for 100 leaves increased 32-fold, whereas general prices went up 15-fold and minimum wages as fixed by government increased 20-fold.<sup>11</sup> Besides, they are now entitled to subsidized food, provided by the World Food Program (WFP) of the United Nations. Part of the revenues accruing to the government from the kendu leaf trade is transferred to local panchayats for village development. In the five years up to 1999–2000, Rs.100 million was transferred every year to the panchayats. In 2000–01, Rs.200 million was transferred.

### *Lessons learnt*

The following lessons can be drawn from the case of the OKKS:

- Sometimes the trigger for a movement can come from unexpected sources like individuals with a social conscience, as in the case of the kendu leaf workers. Several freedom fighters were associated with the kendu leaf workers, taking up the initial leadership. However, it is necessary to gauge the environment to check whether there is any scope for drawing strength from any other parallel movement/struggle to strengthen the cause of the unorganized.
- Awareness programs need to be held for elected representatives and they can press for a better deal for workers.

- An effective second-level leadership needs to be developed so that the movement does not derail when an inspiring leader passes away. The leaders themselves should identify capable persons and persuade them to shed their reluctance and join the movement even though an element of sacrifice is involved.
- Legal remedies for organizing the unorganized workers should be explored even if it is a time-consuming process. At the same time, political struggle is also necessary to keep the movement alive.
- Within the bureaucracy, there are some civil servants who are sympathetic to the cause of the unorganized. It might be worthwhile to scan the administrative machinery for such individuals and involve them in resolving labour-related issues.

### *Summary*

The Orissa case demonstrates how numbers can make a difference, especially during elections. This political power needs to be marshaled into the policy-making bodies, so that the legitimate demands of the workers may find fruition, in phases.

#### **4.2.6 Karnataka State Construction Workers' Central Union**

The Karnataka State Construction Workers' Central Union (KSCWCU) has its origins in the Karnataka Slum Dwellers Federation (KSDWF) started by N.P. Samy, when he and his team observed the pitiable living conditions of the workers, who primarily inhabited the slums. Set up in 1982, the KSCWCU had 38,000 members drawn from all the districts of the state by 2004. According to Ruth Manorama, coordinator of Working Women's Voice, (a Bangalore-based NGO), most of the problems faced by women in the slums such as money disputes or sexual harassment had to do with their places of work — usually construction sites. The slum dwellers are mostly migrant workers and domestic workers. Domestic workers form the other significant segment of slum dwellers, according to S. Jeevanand, Samy's colleague. There is a domestic workers' union affiliated to the National Centre for Labour (NCL).

The construction sector has its own peculiarities. "Whereas workers in other industries remain in one place and their product gets marketed elsewhere, in this industry, the product remains in one place while the workers keep moving," says D. Thankappan of the NCL. Due to the migratory nature of labour in the construction industry, short duration of projects and the layers of sub-contractors, there is no discernible and permanent employer-employee

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relationship. Usually, the principal employer never knows who is actually working for him, nor does the worker know for whom he is working. These characteristics also influence the working conditions, social security, health, and safety of the workers.

The construction industry makes a significant contribution to the economic and social life of the country, providing as it does houses as well as social and physical infrastructure like schools, hospitals cultural centers, roads, bridges and dams. Estimates of the number of construction workers in the country vary from 3 million to 25 million. However, up to 95 per cent of them are estimated to be temporary workers and a majority of them are seasonal labour.

### *Situation before union formation*

Construction workers and their families are an exploited lot. Being forced to leave the security of their villages when monsoon fails, they are often subjected to inhuman working conditions and are the victims of trafficking. The workers carry heavy construction material on their heads three or four days a week. Women, who constitute a large part of the workforce, are more vulnerable because many of them belong to low caste groups that fled oppression in neighboring state of Tamil Nadu . “Even worse, many of them accept their lot as a matter of fate and, if they happen to be women, do not speak out at all,” says Jeevanand. Most of the workers and their families lack awareness of their legal rights and are often non-cooperative out of fear as well as mistrust of court procedures. Children of labourers on construction sites usually end up carrying loads along with their parents and they are also victims of accidents because of hazardous and dangerous construction equipment lying around the construction site.

There is no guarantee of work. “Everything depends on the all powerful masons who may not turn up at the site and then there would be no work,” complains Tailamma. Twenty-year-old Alamelu said women had to “comply with masons’ requests.” Shahtaj, a social worker with Women’s Voice explains that “what Alamelu means is that young women are expected to grant sexual favors to the masons.” “The masons prefer younger women and then they still beat the women,” adds Jeevanand, quoting Thangapappa, a 40-year-old construction worker.

### *Consequence of unionization*

Unionized women are better off and can take care of their children’s education, housing and land rights. Some even manage to send their children

to an English medium school, St. Michael's. "We want them to learn English and leave this place," said one mother.

The success of the KSCWCU encouraged Samy to look beyond Karnataka and form the National Federation of Construction Labour in 1984. The NFCL boasts of 3,00,000 members across India in 2005, although it still represents only a fraction of the country's construction workers.

NFCL's activities are driven by unions in Karnataka and Tamil Nadu, especially its efforts to get the Central Government to enact the Building and Other Construction Workers (Regulation and Conditions of Service) Act, which deals mostly with the safety and health aspects of construction workers, and the Building and Other Construction Workers Welfare Cess Act, which deals with the collection of cess for funding welfare activities for the workers. In 1996, when former Karnataka Chief Minister H.D. Deve Gowda became Prime Minister, Gowda, who was invited to a workers' gathering, confessed that he had not been aware of the plight of unorganized workers or heard of their unions and promised to help them. He kept his word by sanctioning Rs.2,500 million for the development of slums.

However, the Act is full of loopholes, says Samy, who, in 2005, was busy working for a more comprehensive state-level legislation. "We will make efforts to amend the central laws only after we have done something about the situation in Karnataka state," a union leader said. Both the NFCL and the KSCWCU want a tripartite board consisting of the government, workers' unions and employers set up, which could then negotiate welfare terms and work conditions. However, this is difficult because the unions are up against the politically powerful construction lobbies, which are active at both state and Central levels.

Construction activity has a major role to play in employment because it absorbs rural labour and unskilled workers (in addition to semi-skilled and skilled), provides opportunity for seasonal employment thereby supplementing workers' incomes from farming and permits large-scale participation of women workers. The share of the construction sector in gross domestic product (GDP) was 5.4 per cent in 1970–71, came down to 4.4 per cent in 1990–91 and subsequently picked up to 5.1 per cent in 1999–2000. The share of the construction sector in total gross fixed capital formation (GCF) came down from 60 per cent in 1970–71 to 34 per cent in 1990–91, but increased to 48 per cent in 1993–94 and stood at 44 per cent in 1999–2000.<sup>12</sup>

Since the construction industry is characterized by the predominance of migrant and unskilled labour, there is need to expand training and skill certification programs, by revising the content as well as providing training in different languages. Contractors may be provided incentives to fund such skill upgrading programs. However, there is no institutional framework to impart

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training at the worker's level, barring a few initiatives taken by the Construction Industry Development Council (CIDC) and some companies. There is need to involve the Industrial Training Institutes (ITIs) in this effort in a big way in order to bridge the demand-supply gap for a skilled labour force.

The KSDWF was formed in Bangalore in 1979. "Since most of the slum-dwellers were construction workers, discussions regarding their basic needs highlighted their poor wages and lack of employment security," says Jeevanand. Most of the workers were brought by contractors from Tamil Nadu, given material to put up their huts in slums as well as basic rations. However, there was no attempt to address their vulnerability to fatal accidents and their family's resultant destitution.

"In the case of an accident, most employers would hire a taxi and send the body home along with a payment of Rs.2,000 to the family," says C. Palani Kumar, organizing secretary of the KSCWCU. In 1981, members from the Tamil Maanila Kattida Thozilalar Sangham (TMKTS) came to Bangalore and helped form the KSCWCU. The movement gained impetus after the collapse of a building in Bangalore, Gangaram Building, killed 120 people in 1983.<sup>13</sup> The KSCWCU filed a case in the labour courts regarding 43 deaths. The employer claimed that not all the dead were workers but they included others who were present at the site. Since there was no employees' list, it was not possible to provide documentary proof that these 43 were, indeed, workers. Finally, after 11 years, the court accepted the dependents' testimony that the dead were employed on the construction site and awarded Rs.400,000 compensation for the families of 43 workers at Rs.15,000 to Rs.40,000 each.

In another case, where six construction labourers were buried alive while excavating a tanker-pit for a gasoline station in Bangalore, the name of one, Adil, did not figure on the muster roll and nobody cared to retrieve his body<sup>14</sup>. It was only when his family members and fellow labourers heckled a local politician that pressure was put on the gasoline station owner to dig up the site again and locate Adil's body. However, a month after Adil's body was taken to his native village in the Bijapur district of southern Karnataka, his family vanished and so union workers could not negotiate compensation with the management.

This incident, coupled with the Gangaram Building collapse, highlighted the loopholes in the laws and set off movements to organize workers in all the big cities. Soon, a demand arose for a Central legislation for construction workers. The efforts gained strength with the involvement of central trade unions like AITUC, BMS and CITU. The Tamil Nadu State Construction Workers Union set up the National Campaign Committee for central Legislation for Construction Workers (NCC-CL) in 1985 under the chairmanship of Justice V.R. Krishna Iyer. The Committee drafted a bill, after

a series of consultative regional meetings with state-level organizations and individuals.

### *Strategies*

“We try to negotiate on-the-spot compensation from employers in order to avoid time-consuming legal hassles,” Jeevanand said. Working Women’s Voice and the KSCWU have tried to give women some representation in the management structure but have not always been successful. As much as 50 per cent of women construction workers remain non-unionized and put up with low wages or even non-payment of wages. Sometimes, even unionized women, despite awareness of their rights, put up with appalling work conditions. At the construction workers’ slum in Sakthinagar, many complained of harsh treatment, sexual harassment and daily wages that were equivalent to just about a dollar.

How does general strife affect the unorganized more? Following the abduction of Kannada cine actor Rajkumar by the notorious forest bandit of Tamil origin, Veerappan, construction workers, mostly from the northern districts of Karnataka, left Bangalore. “We will surely be the victims of mob violence as we are the easiest prey living in buildings under construction,” said Krishna Naik from Dharwar, who was waiting to catch a train to his native village along with his wife and children. Till around 2005, most of the construction workers came from Tamil Nadu but of late, they have been replaced by people from northern Karnataka. “I used to visit Tanjore and Salem in Tamil Nadu hunting for farm hands during this season. But I feel I will be hunted if I am caught en route while bringing these labourers,” said Byre Gowda, who owns a farmland on the outskirts of the city.

### *First victory: passage of two bills*

Though the passage of the Building and Other Construction Workers Act and the Building and Other Construction Workers Welfare Cess Act represent a victory for the unions, there were several loopholes. According to Samy, one of the loopholes is that the Act says that states ‘may’ bring it into force and does not use the word ‘shall’. In addition, no timeline was set, with the result that states took their own time to frame the rules under the Act. A lobbying group in Parliament was set up and on 28 May 2000, NFCL organized a meeting in Mumbai to push state governments to enact the rules and to make relevant amendments to the Act.

The other significant loophole is that the definition of ‘establishment’ excludes all projects employing less than ten workers and projects that cost less

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than Rs.1 million. As a result, the Act may not cover 90 per cent of the workers. Further, there is no tripartite machinery at the district level for enforcing the provisions of the Act. Samy says that so far, not even 2 per cent of the 20 million construction workers are organized. The need of the hour is “an appropriate law that delivers the goods” and a law “that enables organization.” If there was clear legal protection guaranteeing employment and social security, workers would get attracted by these benefits and be ready to get organized.

However, before this can happen, the construction industry has been affected by globalization. New technologies, such as pre-fabricated building materials, excavators which dig and level earth, ‘ditch-witch’ which lays optic fiber cables without digging, concrete ready mixes, spray painters and the like are reducing employment opportunities. With foreign direct investment coming in to the sector, local contractors are unable to compete against global contractors with their capital, technologies and skilled work force.

In order to meet these challenges, NFCL is planning to start training programs in collaboration with the Canadian School of India which will help *mistris* (contractors) to take up small contracts, teaching them how to draw up an agreement and phase out the payments for work, so that the builders do not hoodwink them.<sup>15</sup> Asked if the social clause in world trade would benefit Indian workers, Samy says that NFCL does not have anything against any clause which would help the workers. The government, which is the main employer of construction workers, is also violating its own provisions for workers. Unless there is proper machinery for implementation, no clause will help, he says.

### *Lessons learnt*

The following lessons emanate from the case:

- The organizers should identify and enumerate the numerous groups of the unorganized workers engaged in different vocations and the sub-groups within the broad groups. Based on the groups identified, objectives need to be drawn and strategies of organization worked out.
- Women account for approximately 89 million of the total workforce of 314 million. Their participation in the labour market, especially in rural, tribal and forest areas, has not been as appreciable as expected. There is, therefore, need to mobilize and enlist the support of women’s groups for organizing women. Separate strategies need to be worked out for the female labour force, which has its own problems and peculiarities.

- For success in forming a union, it is necessary to identify the constraints and remove them.
- Union officials will gain from identifying the role of voluntary associations, universities, research groups, social action groups and individual animators in creating mass awareness about the need for organization of the rural poor through studies, researches, training camps and physically undertaking the task of organization.
- Setting up legal aid centers for protecting and safeguarding the rights of the workers may help them gain the confidence to join union activity
- The support of media and communication agencies would help disseminate the right messages about organizing the unorganized to the policy formulators, planners, implementers and all those concerned. For this purpose, the union needs to seek the support of right-minded individuals/organizations to document success stories.

### Summary

The KSCWU proved that an independent union — one without any political affiliations — can organize the unorganized. It could achieve the workers' objectives, irrespective of the ruling political formation at the federal and state levels.

#### 4.2.7 Self-Employed Women's Association

The Self Employed Women's Association (SEWA) was registered as a trade union in 1972, in Ahmedabad, Gujarat. It grew out of the Textile Labour Association, India's largest and oldest union of textile workers. Gujarat is also a state where one can find success stories of the cooperative sector — be it in the area of milk producers and fertilizer manufacturing. The spirit of cooperation among the disadvantaged — whether in income, profession, social strata and political status — is the only way they can overcome their situation. Gujarat, therefore, resounds with the voice of emancipation.

#### Origins of SEWA

SEWA's members are women from the economically, politically and socially backward sections of society. Typically, SEWA membership is drawn from home-based self-employed women working as weavers, potters, garment makers, incense rollers, *bidi* workers, street hawkers, agricultural workers, head loaders, domestic workers or construction workers.

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Ignorant of the legal and social security system, these women never realized that they were being exploited. In many instances, despite being the primary earners in their families, they did not have control over how their earnings were spent. To organize self-employed women workers through SEWA, Ela Bhatt, the founder, adopted a philosophy of self-reliance and self-competence. The strategic intent was to drive the poor and marginalized women to be able to earn and learn about the dignity of life and, in the process, become aware of their rights and roles. The goal of SEWA was to increase economic autonomy and self-reliance for its members. Economic empowerment that leads to holistic development of women is the organization's mission.

Though the vast majority of working women in India today are self-employed, they are rarely included in policy discussions about the workforce and workers' rights. SEWA uses the term "self-employed" to give "positive status, dignity and recognition" to women who have often been described negatively as unorganized, informal or peripheral.

According to the SEWA leadership, "... we learned some hard lessons. Where there is no basic employment, how can workers organize and develop their bargaining power? Where there is little employment, organizing is very difficult and the suffering and poverty of workers increase. Hence, we decided that instead of union struggles, we would direct our organizing efforts to develop as many employment opportunities as possible for self-employed workers."<sup>16</sup> It noted that "over the years we have also seen that women's income goes directly for family consumption and use ..." If rural income-generating efforts are led by women, then the whole family quickly benefits, and can rise above the endless cycle of poverty and indebtedness. In fact, it is only by economically strengthening women that organizing efforts and overall rural development can occur in the villages.

Though SEWA was started in the urban area of Ahmedabad, it began its rural activities in the Dholka taluka of Ahmedabad district in 1977. By 1981, through employment-generation for women, it helped bring about overall development and change in the villages. SEWA makes it a point to let the women understand clearly their role in the nation's development, and the values and vision behind their movement.

SEWA officials collect data and undertake research on the components of national product and employment status and show the role of women in the total picture. This helps them empower their members and encourage them to raise awareness in their neighborhood and to strengthen the impulses of growth and development among poor women to aspire to a better life. Once the aspiration levels rise, it is only a matter of time before women emancipate themselves.

### *SEWA's organization, activity and process*

Any woman can become a member of SEWA, by paying an annual membership fee of Rs.5. Every three years SEWA members elect representatives to a new union council made up of worker leaders, and this committee then elects the executive committee. SEWA is the largest union in Gujarat and the largest union of self-employed workers in the country with over self-claimed 9,60,000 members in 2006. SEWA believes in the joint action of trade union and co-operatives. Along with the struggle for their rights and a variety of collective bargaining, SEWA members undertake a wide range of activities including dairy farming, handicraft work, agriculture, trade, vending, construction, banking and others. These cooperatives have freed women from dependence on merchants and other intermediaries for materials and credit, and they are able to learn new skills and obtain better equipment so that the goods they produce meet the quality and quantity standards needed to compete in the marketplace.

SEWA has built an organization that is remarkably diverse in terms of religion and caste. This has not been easy, and has required purposeful work to overcome societal divisions. SEWA's success in this area is evident in its actions during several instances of communal and caste violence in Ahmedabad. Because its members cut across many caste and religious lines in the city, SEWA has been able to mediate communal conflicts, where even the government has failed.

SEWA members identify anti-communalism, anti-casteism, economic and social equality and simplicity as core values of their organization. They see these values markedly different from those of the mainstream world around them and feel a sense of pride in being part of a group with a vision for a better world. This creates strong ties between members and helps them identify with the organization. Since its inception, SEWA has built effective alliances at the local, national and international levels, while winning victories that have produced concrete improvements in members' lives. SEWA describes its approach as the confluence of the movements of labour, women and co-operatives. The evolving nature of the organization is impressive. SEWA states that "We did not begin with a pre-determined blueprint for structuring our work. Our vision and ideology has been the guide for constantly evolving our structure and processes in response to the needs of our members."

### *Approach*

SEWA's premise was based on a truth acknowledged by Swami Vivekananda saying "A starving stomach knows no religion." From the outset, SEWA understood that most of the problems of self-employed women workers were

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essentially economic in nature. As long as women are economically weak, they are vulnerable to exploitation. Although it is a trade union, organizers often work on community issues that arise in their neighborhoods, such as a lack of basic services like clean water and sanitation. These issues are identified through membership meetings, home visits or surveys conducted by SEWA organizers.

The following incident illustrates the way in which SEWA organizers move easily between workplace and community issues. During the weekly meeting of urban organizers, a new organizer once raised an issue that had come up in her conversations with members. Some of the members lived in a settlement along the banks of the Sabarmati River and, during discussions about issues at the workplace, they mentioned the horrible conditions under which they lived — run down houses and no clean drinking water. The organizer asked her co-workers and supervisor for advice. The others advised her to organize a meeting of the people who lived in this settlement (not all the residents were workers or members of SEWA), help them to identify the problems they faced, decide on their demands, and contact the responsible authorities.

SEWA members are leaders in the organization. Members serve on SEWA's Executive Board and their concerns drive the organization's activities. Both members and staff lead organizing activities, and both speak for the organization in public meetings, press conferences and negotiations with public officials. A unique aspect of SEWA's work is its joint strategy of struggle and development in working for change. Through struggle, women build the collective strength needed to ensure that employers and government officials treat them fairly and equitably. Through development, they work to create alternative economic institutions, generate new employment opportunities, build and control their financial assets and obtain vital social security benefits such as healthcare and child care. Struggle and development activities go together, not sequentially or separately. Other organizations might undertake them separately, but SEWA believes that the full benefits of each approach can only be realized when undertaken jointly.

### *Process and activities*

The ground realities faced by the women workers keep on strengthening this understanding. They include insecure employment, meager earnings and lack of a cushion for difficult days. Unlike their counterparts in the organized sector, they have to pay for healthcare from their meager earnings and face the consequences and expenses involved in maternity, accidents, death and calamities. Keeping these factors in mind, the union committees coordinate the organizing activities for their union.

## Chapter IV

### Success Stories of Trade Unions in Organizing the Unorganized

Some unions run campaigns that are similar to those of traditional trade unions. For example, *bidi* workers are involved in campaigns to increase wages and win benefits such as pensions. Employers contract out the work to home-based workers largely, so that they can claim the workers are not actually employees. One of the workers' central fights, then, has been to gain recognition as employees and get the many benefits that come with this status.

The following list indicates the campaigns of SEWA: Home-based Workers' Campaign for recognition and social security, Vendors' Campaign for the right to space, Forest Workers' Campaign for right to forest produce, Construction Workers' Campaign for rights and social security, Campaign for a right to safe and accessible drinking water, Food Security Campaign, Campaign for our Right to Child Care, Clean Ahmedabad Campaign, Campaign for Recognition of Midwives, and Minimum Wages Campaign for all workers and Right to Social Security for all workers.<sup>17</sup> The need for mass mobilization through campaigns became evident while organizing women and building their own workers' organizations. This mass mobilization has strengthened the SEWA movement and, at the same time, highlighted some pressing issues. All mobilization is done as part of a campaign around a clearly identified issue. The women and local leaders identify the issue, which deeply affects large numbers of people. Mobilization involves continuous meetings at the village or *mohalla* (locality) level. The meetings must include as large a representation as possible, for example, an all-village (*gram sabha*) meeting.

In 1999, ten campaigns were organized around pressing issues affecting SEWA members. These spread geographically and across occupations, depending on the issues involved. Some campaigns made considerable headway and others faced obstacles or long struggles. However, in all, workers in large numbers joined the campaigns, contributed their insights and ideas for organizing. Several strong leaders developed because of these campaigns.

#### *Home-based workers*

Home-based categories are among the major categories of unorganized workers. They are engaged in the production of goods or services for an employer or a contractor in an arrangement whereby the work is carried out at the place of the workers' own choice like often their homes. The ILO has adopted convention No.177 for home workers.

The issues and problems of home-based workers are more complicated, because of the lack of an employer-employee relationship between the worker and the contractor. As a result, they are often subjected to exploitation. In India, there is no authentic data on home-based workers. Official data sources such as the Census do not recognize these workers as an independent category,

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but have included them in the broad category of those working in household industries. As such, home-based workers are not visible in national statistics.

In India, home-based workers are mainly engaged in *bidi* rolling, garment making, *agarbatti* making, gem cutting, preparation of food items like *papad* and pickles, handloom, lace and chiffon work, etc. The *bidi* rolling industry alone, which is a family based activity, employs about 4.4 million workers out of which 90 per cent are home-based workers. The Government of Gujarat enacted the Bidi and Cigar Workers (Conditions of Employment) Act, 1966 and Bidi Workers Welfare Fund Act, 1976. Under these legislations, the conditions of service of these workers are regulated and a number of schemes for their welfare are being implemented. These include health, maternity benefits, group insurance, education, recreation, housing assistance, and so forth.

The government proposes to formulate a Policy on Home-Based Workers with a view to provide legislative protection, welfare measures and social security to this large body of hitherto-neglected home-based workers. The elements that could go into the preparation of this document include survey of home-based workers, provision of legislative protection, occupational health and safety, provision of social security, prevention of child labour and forced labour, access to training, provision of welfare measures, etc.

### *Vendors' campaign*

Vendors have been amongst the earliest members of SEWA, which has been campaigning consistently against the injustice suffered by them. This is mostly as a consequence of lack of urban policies and laws pertaining to street vendors. Perceived as traffic obstructions, nuisance and even criminals, they are routinely harassed by local authorities and evicted from their vending sites. SEWA vendors have been actively campaigning for "two baskets-worth of space", licenses and identity cards and representation in urban boards, which formulate policies and laws for vendors and urban development in general. The SEWA vendors' campaign has been strengthened by nation-wide and international alliances.

In 1999, the National Alliance of Street Vendors in India (NASVI) spread to several states and vendors' organizations. An eight-city study was commissioned to document the conditions of vendors, town planning laws and policies and best practices in different cities. The results were presented at a national convention of street vendors in early 2000. The NASVI organized four regional workshops on the legal status of vendors. In the Bangalore meeting of the southern zone on 30th and 31st October, 1999, the Chief Minister of Karnataka promised that this will be the first state to develop a policy for vendors.

In Delhi, as an outcome of the northern zone vendors' workshop, 600 vendors formed their own union. They have opened three savings and credit group bank accounts after many tussles with local banks that were initially reluctant. They have also initiated a joint study with the Municipal Corporation of Delhi and the School of Planning and Architecture, as space for vending is their prime concern.

### *Construction workers' campaign*

For the past three years since 2002, SEWA has been actively organizing construction workers in Ahmedabad city. There are more than 20 million construction workers in India, half a million of them in Gujarat, of which 50,000 are in Ahmedabad. During 2005, the campaign for construction workers developed considerably. Its main activities were: Pressing for laws for construction workers by taking up the Construction Workers Bill, urging the Labour Department to issue identity cards for construction workers and initiating a dialogue to create a state-provided security fund and administrating and implementing it through a tripartite board

SEWA organizes construction workers by contacting them at 50 sites where they wait for work. Small meetings are held in their neighborhoods at night. These meetings generated awareness among the workers. With the distribution of more than 2,000 fliers, a steady stream of workers made their way to SEWA's office. SEWA then organized a convention-cum-public meeting of workers in Ahmedabad to focus on the difficult conditions under which construction workers live and work and their need for laws and social security. Two thousand workers participated and presented a memorandum with their concerns and demands to the Assistant Director General of Labour Welfare, Government of India. State-level labour officers were also present. All the government officials present promised that Gujarat would soon pass a law for construction workers, and that the Central Government would assist and encourage this process.

### *Minimum wages campaign*

In 1998, SEWA affiliates held meetings with their members to discuss strategies for actual implementation of minimum wages. They also began to work out how their issues could be woven into the campaign. In 1999, they campaigned for minimum wages for home-based workers, including *agarbatti* workers, and for construction workers. The main demands of this campaign were:

- Need-based minimum wage on the premise of three consumption units for one wage earner (one adult and two children)

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- Minimum food requirement of 2,700 calories per adult.
- Clothing of 72 yards a year per family.
- House rent.
- 20 per cent extra for fuel and lighting.
- 25 per cent extra for medical expenses, education of children old age and ceremonials.
- Fixation and implementation of minimum wages for all categories of workers whether they are as per schedule of work assignments or work on unscheduled timings, whether they work on time wage or piece rate including domestic workers, construction workers and *agarbatti* workers.
- 100 percent neutralization on the basis of increase in consumer price index(CPI).
- Minimum employment of 250 days.
- Setting up of tripartite systems for the implementation of social security measures.
- Implementation of fair labour standards.

### *Recognition of unorganized sector workers*

The struggle for recognition of unorganized sector workers gained momentum with the formation of the National Centre for Labour (NCL) in 1995. An estimated six million workers are members of NCL. The campaign was strengthened by the presence of the Women in Informal Employment Globalizing and Organizing (WIEGO) network of which SEWA is an active member. More research and statistics on the actual numbers of workers in this sector and their significant economic contribution has led to greater visibility of these workers, and has boosted their organizing efforts. One key issue in the campaign has been that of the government providing identity cards to the unorganized sector workers. This has been their key demand as it establishes their worker status and makes them visible. In 2004, several of their trade union members obtained identity cards. In 1999, an important breakthrough was made when SEWA and WIEGO were invited to a special discussion at the ILO on the unorganized sector and trade unions. The campaign generated several studies in collaboration with the National Council of Applied Economic Research (NCAER) and with the Gujarat Institute of Development Research (GIDR). These studies have helped to build a better understanding of the enormous economic contribution of

this sector and its growing size and importance. It has also led to visibility of the workers and recognition of how economically active they are.

### *Lessons learnt*

The following lessons have been drawn from the SEWA case:

- SEWA provides a model case of how synergy can be built between the spirit of cooperatives and the struggle against injustice. SEWA proved that the women can organize themselves provided there is focused and committed leadership.
- Political struggles yield results only when they address or are backed by economic advancement during the struggle process.
- It is useful to be aware of the ground realities and opportunities provided by various organizations including trade union federations, government welfare departments, international funding organizations and socially conscious political personalities and formations independent of their political ideologies.

### *Summary*

The case revolves around the work of a single individual charged with the spirit of sacrifice, armed with the tools of truth and non-violence. In fact, these are not mere tools, but internalized approaches of a movement aimed at emancipating women. This case also depicts how trade union orientation can move into areas other than work-related issues and take up issues related to living conditions and so on.

## **4.3 CONCLUSION**

The informal economy is heterogeneous in terms of activities and occupations and its features vary considerably from region to region. Trade unions have been making efforts to organize the informal economy workers for some time, knowing well that future membership and activities lie in this sector. Some unions have been successful in organizing these workers to an extent. The case studies in this chapter throw light on various aspects of organizing the unorganized workers that have contributed to success in some cases. The chapter serves three purposes: identifying patterns, formulating

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organizing processes and providing inputs for policy makers and practitioners.

### *Patterns*

Each organizing case presented some distinctive features in the union's mission of organizing the unorganized. What was noticeable was that trigger processes and flash points caused an upsurge among workers and their unions. There were also contextual factors, including the presence of existing unions and benevolent public systems that strengthened the sustainability of the process.

### *Replication*

Replication is always by choice backed by strategic intent. The strategic intent in the present context is to organize the unorganized and encourage them to struggle to improve their lot. This implies that the unions should always look for appropriate factors that can galvanize and mobilize the workers to struggle to achieve a decent life; such factors may include, among others, price rise, retrenchment, workplace accidents, high-handed behavior by employers, unfriendly government policies and/or responses to the rallies and demands from workers. Once a stimulating and inciting factor is identified, the trade union should clearly and convincingly relate that to the living and working condition issues of the workers. These strategic interventions may have a mix of elements from processes in the success stories. Can the process dimensions drawn from different contexts be harmoniously brought into an organic way to yield sustainable results? That is where the true spirit of strategic intent, strength of the strategy backed by the missionary zeal of the trade union machinery counts.

### *Policy inputs*

The cases suggest that the trade unions' activities to organize the unorganized workers can be facilitated by appropriate state intervention through new policies and legislation. The successful stories provide insights into the kind of processes that led the trade union organizations to succeed. Further, they provide details of what economic, social and political angles were responsible for among the unorganized workers. This analysis of the processes, therefore, indicates the direction of government policies. An analysis of the past could also indicate where the trade unions erred in their

strategy and what they could have done in such a situation. What appears to be lacking are policy inputs. The CITU case relating to headload workers in Kerala is an illustration of how the other unions and other state governments can go about improving the situation of their unorganized workers

### *Situation of workers before unionization*

In all the cases, the situation was grave — wage agreements were unknown and working conditions were not secure. The following are the features of working conditions of unorganized workers:

*Deplorable working conditions:* Workers lacked security. They had no recourse to appeal when they suffered due to the hazardous nature of employment. For instance, kendu leaf workers in Orissa face the danger of being bitten by insects. They require gloves and footwear to protect themselves, but did not get them till they organized themselves.

*Physical security during work:* The deaths of construction workers in Bangalore and headload workers in Kerala highlights the hazardous conditions in which the unorganized workers often have to work. If there is an accident, the worker could not claim any compensation as a matter of right. The employer used to give something only as charity. Workers could not resort to any protest because that would endanger their jobs.

*Awareness about labour standards:* The workers had no understanding of the concept and mechanics of minimum labour standards, or about minimum labour standards like the right to organize or on minimum wages.

*Compensation:* The wage rates are abysmally low. For headload workers, the piece rate for carrying and stacking 13 bags of 75 kg was just Re. 1. Similarly, the rates for plucking kendu leaves were equally abysmal.

*Might of feudal lords and police:* On most occasions, the unorganized workers had to accompany a contractor or slum lord for work, because they were migrants. A migrant construction worker from Tamil Nadu working in Bangalore, for instance, has to be subservient to the local slum lord.

*Miserable living conditions:* The unorganized workers used to live in crowded and unhygienic surroundings, with no proper facilities for drinking water and drainage. There was no concept of privacy, as 10 to 15 families would sleep in one stretch of space. Many workers took to alcohol to get some solace from the bad working and living conditions. Many fisherwomen, for instance, were subject to beatings by their drunken husbands

*Non existence of political rights:* The workers enjoyed no political rights and they had to go by whatever their local lords dictated.

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### *Obstacles faced in organizing workers*

The attempt to organize the unorganized workers is a movement that leads to change of economic relationships. The NCL organized the slum dwellers in Bangalore, 80 per cent of whom faced problems that were different from rice mill workers in Hyderabad. In Bangalore, workers faced problems from contractors who were unchallenged by migrant workers, from police who used to book these workers whenever they needed to make up targets on the number of cases to be reported during, say, a month and from slumlords evicting them from the slums.

The leaders have adopted a carrot and stick approach. They demonstrated that they do not shy away from meeting the offenders on their own ground and pay them back with the same coin, if needed as demonstrated by, for instance, the KSCWCU when it came to protection of the workers killed in an accident on the work site, the union organized protest demonstrations. One approach that has worked effectively is the frequent visits paid to the unorganized and meetings to demonstrate their strength. The combined efforts and the sharing of benefits has brought about a change. For instance, contractors would be made to pay compensation to the family of construction workers who died while at work. All these were obtained through negotiations, but the affected workers had no legal avenues to take recourse to. It is sheer strength of the KSCWCU, for instance, that could get the contractors to behave.

### *Registration of the union*

All the seven organizations were registered under the Trade Unions Act, 1926. They do not seem to have faced any formidable problems in the registration process. The registration status provides security to the leaders and empowers them with a sense of credibility. For example, on 8 August 1970, about 50 members of CITU in Palakkad town joined together to register the Headload Workers' Union. Today, there are 10,000 members in Palakkad district and 100,000 members in Kerala. The membership fee is Rs.6 per month, of which Rs.3 goes to the Federation.

### *Contextual factors and strategies adopted to organize workers*

The method of organizing the unorganized workers have differed in each of the cases. The contextual dimensions vary from state to state and from one type of worker to another. For instance, fisherwomen in Machilipattinam are

very different from kendu leaf workers in Orissa. The contextual dimensions that may have a bearing on organizing the unorganized workers include, among others:

- Trade union leadership
- Culture of rights orientation
- Awareness and Educational level of workers
- Proximity to the organized industry/labour
- Disposition of the civic society to the workers
- Political weight of the unorganized workers as a group
- Societal leadership in the neighborhood
- Political party/formation in power in the state
- The governmental machinery.

The following is a brief outline of strategies adopted to organize the unorganized:

- Constant and effective communication to make the unorganized feel confident.
- Organizing awareness programs in the villages, leadership development among ordinary people, taking up issues like braving the village feudal structure, raising the confidence level among the workers, and mobilizing them politically.
- Collaboration, where needed, with other political parties to organize, submission of a memorandum, combined rallies, and dharnas. The path of consultation is an essential ingredient of strategic moves.
- Taking advantage of the comforting and benevolent administrative structure in the states.
- Availing of legal remedies to the fullest extent.
- Identification of any significant incident that could spark off a general upsurge. The headload workers, for instance, used the death of six workers to launch a movement.
- Taking advantage of the large numbers of workers, as in the case of the HMS in Orissa. The kendu leaf workers are a force to reckon with in 24 districts and could easily influence electoral outcomes.

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Table 4.2. A summary of the strategies adopted by the various unions

Name of the Union Studied	Affiliation	Strategy for organizing the unorganized workers and mechanisms to win benefits for workers
Palakkad Headload and General Workers' Union	CITU	It focused on creating awareness among workers about their rights by highlighting the miserable working conditions and terms of wage fixation, drawing attention to the unsafe workplace situation when accidents took place and taking full advantage of friendly parties in power to insist on enactment of legislation. It also mobilized public opinion through demonstrations and rallies, getting the political party cadres to come out on to the streets to support the struggle.
Mahila Matsya Karmikula Union (Fisheries Women Workers' Union)	INTUC	It stimulated a sense of self respect among the workers, which could strengthen their self image and force the INTUC leadership to recognize the potential political force of women's groups. It used innovative mechanisms such as silent sit-ins in the offices of revenue officials to draw their attention to the minimum needs of security and shelter for the workers.
Rice Mills' Mazdoor Sangh	BMS	It identified the areas with no union orientation and analyzed the reasons for this, which included ruthless feudal practices. Then it steadily made inroads among the rice-mill workers by approaching them through mutual acquaintances areas. It identified promising leaders, inculcated a union spirit in them and helped them with support during direct action, including negotiations for better pay and working conditions. Finally, it spread and celebrated the success in mobilizing the rice-mill workers in a small mill, to start with -- thereby raising the morale of the hitherto docile and submissive workers.
Thiruvalluvar Hut and House Construction Workers' Welfare Association	AITUC	It encouraged and provided support to a small group of persons who were ideologically committed and socially conscious and were also in touch with construction workers in the course of their professional duties (for instance, doctors, teachers, and counselors). Support and help was given to distressed workers through the personal efforts of such people and the organizational efforts of the union. This helped in gaining the confidence of the workers even when there were some reservations like the fear of losing their individual entity in the larger group.
Orissa Kendu Patra Sangh	HMS	It used the advantage of numbers (kendu leaf workers are in significant numbers) to decide the fortunes of contestants in elections. In the present day coalition era, this strategy of numbers works, even if it is confined to small areas. It then organized them with the help of philanthropic individuals on the one side and by approaching courts for redressal.
Karnataka State Construction Workers' Central Union	Independent union	The key strategies were perseverance on follow-ups and development of action plans. The unflinching support of a few followers helped in making inroads into areas where exploitation was rampant. It then demonstrated the affiliation of the union to a political establishment and got them to promise to bring in legislation. It strengthened its hold on the workers by using this success to organize another segment of unorganized workers. It reached out to all political formations to achieve its goal of bringing tangible benefits to its members.
<i>(contd...)</i>		

Name of the Union Studied	Affiliation	Strategy for organizing the unorganized workers and mechanisms to win benefits for workers
Self Employed Women's Association	Independent union	It focused on economic empowerment through a cooperative system of interactions between and among the self-employed women. It worked on the Gandhian belief system, making representations to appropriate authorities with a sincerity of purpose and aims. It influenced multilateral organizations like UN bodies and simultaneously strengthened the institutional set-up such as financing bodies and marketing infrastructure.

## 4.4 RECOMMENDATIONS

Is there a replicable model for organizing the unorganized? Trade unions which have gained expertise in working with the organized sector workers, need to modify their methods when dealing with the unorganized sector workers. The latter, who hail from rural areas and are resigned to being suppressed by feudal lords, need a lot of counseling and awareness raising before they are ready to accept the idea of forming a union. The initial step for organizing, therefore, is to conduct such programs and use trigger points such as accidents, dangerous working conditions, brutality of employers' henchmen, harassment and discrimination, to draw them into the union's fold.

For their part, the trade unions consciously look for focal points to galvanize the attention of unorganized workers in the local setting and make them aware of their rights. They may also include income generating programs for the members of the union by collaborating with international agencies or government schemes.

Trade unions need to appropriately tune their strategy and plans of action to the local setting. The CITU case in Kerala and the HMS case in Orissa signify the role of political power coupled with a knowledge-oriented leadership. However, the local contexts are different. In Kerala, the communist parties stet power most of the time and can influence policy, while in Orissa, the kendu leaf workers can influence power equations. The lesson, therefore, for other trade unions, is to assess the power equations and also numbers that they can mobilize at strategic points of time and act.

Finally, the trade unions, by virtue of their following in the organized sector, should include the agenda for unorganized sector workers in their

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struggle for organized workers and vice-versa. In the process, the size of organized workers will increase which, in turn, will help the unions strengthen their role and policy making bodies will listen to them seriously. This is essential in opening up the economy in agriculture, construction and other sectors which employ unorganized workers.

## Chapter IV

### Success Stories of Trade Unions in Organizing the Unorganized

## Notes

1. *The Hindu* Online edition, Monday, 6 September 2004.
2. *The New Indian Express*, 8 September 2004.
3. *ibid.*
4. According to the Ministry of Agriculture, Government of India, there are more than 10 million people engaged in fisheries in India. Out of this, about 6 million depend on marine fisheries for their livelihood. A vast majority of them are people from the traditional fishing community who use traditional non-motorized craft or small-scale beach landing craft fitted with outboard motors. The other 4 million are engaged in the inland fisheries sector spread over rivers, canals, reservoirs, ponds, lakes and other water bodies. Apart from those who are directly engaged in harvesting, hundreds of thousands of women are engaged in pre-harvesting and post-harvesting operations including fish drying, fish processing and fish selling.
5. The ILO considers only the men who work in fishing vessels as fishermen. But all children, women and men engaged as crew members, small fishers, processing workers and sellers of fish must be considered as “fish workers” for any successful implementation of social security measures.
6. The community is eligible to a few government-sponsored schemes, viz., subsidized low-cost housing, accident insurance, group insurance, lean season participatory assistance (relief cum saving), old age pension (in some states). Some assistance is available in the form of subsidy on craft and gear, fish marketing accessories, post harvest handling, etc.
7. Dr. Kannabiran Gudiyattam (Tamil Nadu) organized the bidi workers and became President of All India Bidi Workers Federation. In the 1970s, several bidi legislations were introduced.
8. Member of the Unorganized Workers’ Welfare Board set up by the Government of Tamil Nadu.
9. The Indian Constitution recognizes scheduled castes and scheduled tribes as highly vulnerable communities, socially, economically and politically.
10. The study was conducted in 301 randomly selected households spread over six districts of Orissa (Boudh, Pholbani, Keonjhar, Mayurbhanj, Sundargarh and Gajapati). Refer to *Joint Forest Management in India and the Impact of State Control over Non-wood Forest Products*, R. Prasad, Indian Institute of Forest Management, Bhopal, India, 1998.
11. R.V. Singh, *Evolution of Forest Tenures in India: Implications for Sustainable Forest Management* (BC 1500–1997 AD), Vancouver, Canada, the University of British Columbia, 1997, Ph.D. thesis.
12. [http://planningcommission.nic.in/plans/planrel/fiveyr/10th/volume2/v2\\_ch7\\_7.pdf](http://planningcommission.nic.in/plans/planrel/fiveyr/10th/volume2/v2_ch7_7.pdf).

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13. Man-made calamities tend to catalyze action. In Tamil Nadu, acute cement shortage in the state in 1979 led to large-scale unemployment of construction workers, *Labour File*, Oct-Dec 1997. They were faced with debt and starvation and resorted to suicides. Thousands of workers participated in a demonstration in Chennai in 1979 and presented a memorandum to the Tamil Nadu Labour Minister. There were widespread protests when the government did not accede to the demands of the workers. This was the time when the formation of a strong union became possible. A trade union of construction workers was formed in Chennai, which spread to other places. By 1982, the union had a significant following. In 1983, the Tamil Maanila Kattida Thozilalar Sangham (TMKTS) was registered. The most significant organizations of construction workers in Tamil Nadu and Karnataka have arisen over long periods of struggle. The efforts of small and scattered unions in Tamil Nadu led to the passage of the first significant legislation for construction workers, the Tamil Nadu Manual Workers' Act in 1982.
14. Keya Acharya, *Hard Grind For Construction Workers*, Inter Press Third World News Agency (IPS), <http://www.hartford-hwp.com/archives/52a/053.html>.
15. The Karnataka Contractors' Credit Cooperative Society Ltd. is one of the success stories of providing institutional support to the construction industry. It was established in 1984 as a society under the State Government's jurisdiction to provide credit facilities to contractors against their works. It was started with an initial share capital of Rs.200,000. By the time it was converted into a co-operative bank in March 1997 as the Karnataka Contractors' Sahakara Bank Niyamitha, its paid up share capital was Rs.25.62 million and it had deposits to the tune of Rs.164.54 million. The area of operation extends to all urban and semi-urban areas in Karnataka and a 10-km periphery around them. The bank is governed by the Reserve Bank of India rules.
16. SEWA website <http://www.sewa.org>.
17. <http://sewa.org/campaigns/index.htm>.

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