

## **Workshop with Stakeholders on Reducing Vulnerability to Bondage in Orissa**

**Date : Monday, 20 September 2010**

**Place : Bhubaneshwar, Orissa**

### **Background:**

In India, the exploitative labour arrangements that prevail in certain economic sectors of the informal economy trap many women, men and children in poverty. The growing need for a cheap and continuous labour supply for the cyclic processes of production in many of the highly competitive economic sectors motivates some unscrupulous labour agents and employers to engage in exploitative recruitment practices. These revolve most often around the concept of advance payment of wages or, in a few sectors luring in particular young women and girls, of post-payment. These informal arrangements compel the workers to contribute their labour until their advance is settled or the lumpsum due to them at the end of an agreed period is paid. As a result, the workers have very little or no freedom to change their employer. They are forced to work for long hours, live at worksites that lack basic health and sanitation facilities and rarely secure a minimum wage as prescribed by the law. In some cases, such practices may amount to forced / bonded labour.

One of the most vulnerable sections of the population is men and women who have no option but to undertake distress migration in search of work away from their home areas. Their lack of skills and income generating opportunities, land and assets at home, illiteracy and lack of awareness, coupled with existing social inequalities based on caste and ethnicity, push the poorest families to migrate elsewhere to try to meet their subsistence needs. But in destination areas, they may be faced with severe physical, social and economic hardships, exploitative labour conditions and a total absence of social protection.

Exploitative labour arrangements violate basic human rights as laid down in ILO Conventions and national laws, perpetuate poverty and hamper economic growth by undermining labour productivity and human capital development. The poorest workers are unable to enjoy their right to freedom of association, as they are faced with the constraints such as the casual nature of employment, small size and scattered distribution of the establishments they are engaged in, superior strength of employers and their own ignorance and illiteracy. As the penetration of Trade Unions in the informal economy is limited, the most vulnerable workers are often left to fend for themselves.

The informal nature of recruitment of workers by middlemen / labour agents from economically backward areas with fewer livelihood options and the gaps in reaching out to the seasonal migrant workers through welfare schemes and regulatory systems for labour force management in unorganized sectors, are the major factors causing vulnerability to bondage situations among poor workers.

Experience shows that very poor families vulnerable to bondage are caught in a web of social and economic obligations that prevent them benefiting from generic development projects. Poverty reduction can be achieved meaningfully only when the needs and aspirations of the men, women and children involved in distress migration

and exploitative labour arrangements are effectively addressed. Internal migration is largely invisible due to the lack of adequate data and it remains an important area ignored by the policy makers. There is an urgent need to strengthen the implementation of existing legislation, such as Inter State Migrant Workmen Act, Bonded Labour System Abolition Act, Child Labour (Prohibition and Regulation) Act, Contract Labour(Regulation and Abolition) Act, Payment of Wages Act, Minimum Wages Act and Equal Remuneration Act. The capacities of the field level enforcement authorities and panchayat leaders need also to be strengthened to tackle the complex problems arising out of migration and related coercive employment practices.

There have been several positive developments, with the National Rural Employment Guarantee Scheme, Sarva Shiksha Abhiyan and National Rural Health Mission being implemented operational, state government revamping Welfare Boards for unorganised workers, expansion of the National Child Labour Project Scheme and the Social Security Bill for Unorganised Workers being considered. These provide good potential for the proposed project to converge these path breaking measures and the other anti poverty and welfare schemes of the government of India, for the benefit of migrant workers and other groups vulnerable to bondage and labour exploitation.

Several civil society organizations have gradually mobilized around the right to work theme and social security issues of the unorganized sector workers. Efforts have to be strengthened, with the ILO's social partners, organizations of employers and workers, taking a proactive role.

### **The Pilot Project – Summary:**

The ILO has been working with social partners in India, to address the root causes of over-indebtedness of poor families and their consequent vulnerability to exploitation, including to bonded labour situations. The Ministry of Labour and Employment (MoLE) invited the ILO to support its efforts to address bonded labour by launching a technical cooperation programme based on convergence approach.

A decision was taken to focus in the first instance on Tamil Nadu and subsequently to expand to other States. A participatory project preparation process was launched, involving in a first step multi-stakeholder consultations. Rapid appraisals in Tamil Nadu have provided further inputs into the project design process, providing further details of living and working conditions in the identified economic sectors. A listing of workplaces and their basic characteristics was undertaken in the rice mills sector in Tiruvallur and in the brick kilns sector in Kanchipuram, following agreement with MoLE that the project would start operating in these sectors/Districts in 2008-09. In both sectors, the ILO has had detailed discussions with the employers, who have agreed to participate in the programme and contribute financially to several activities for the welfare of the workers. Discussions have been held also with the maistries (labour agents) to ensure their active engagement in the project.

The pilot project addresses the problem of vulnerability to labour exploitation in the informal economy in India. By promoting decent work and social protection for poor women and men in selected informal industries in two destination Districts and three source districts of Tamil Nadu, and operationalising the concept of convergence for the benefit of the poor, the project aims to demonstrate that sustainable solutions can be found that will result in a progressive upgrading of the living and working conditions of

poor families. This should lead to a reduction in their reliance on employers and recruiters for their social and economic needs, and hence a reduction in vulnerability to bonded labour. Improvements in working conditions will be secured by strengthening the capacity of employers and of workers for social dialogue to resolve workplace problems and implement improvements that will contribute to increased productivity. The project seeks also to develop and test fair and transparent recruitment and employment arrangements for migrant workers.

The **project strategy** thus includes the following **four components**:

1. Ensuring social protection for workers through convergence of existing schemes and services, both at source and destination areas, to reduce their indebtedness and poverty situation. The main implementing stakeholder group for this component is the district administration.
2. Empowering the workers by imparting rights based awareness education and enabling them to organize themselves and engage in collective bargaining. The main implementing stakeholder group for this component is the Joint Action Forum of Central Trade Unions.
3. Implementing workplace improvement measures and facilitation to workers & their children to access government schemes while they are at workplaces. The main implementing stakeholder group for this component is the employers association.
4. Establishing active social dialogue process among tripartite partners for improving recruitment systems and working conditions.

The direct recipients of the project are the intermediate stakeholders in government, employers' and workers' organizations, who are responsible for implementation of various project components, and whose capacity is strengthened to allow them to effectively fulfill the roles foreseen for them in implementation. The project seeks to establish partnerships with other relevant organizations, such as Workers Welfare Boards, National Child Labour Project, SSA, LIC, Banks, etc with whom it collaborates to ensure convergence of existing schemes for the benefit of the project's ultimate beneficiaries.

Encouraged by the acceptance and ownership of the approach initiated already and the initial results under this pilot project, the stakeholders in other states and the MoLE – GoI have expressed interest to replicate the process in other parts of the country. The Government of Tamil Nadu has also expressed its decision to replicate the pilot area work in brick kiln sector to cover all the brick kiln clusters in the state, in a phased manner. The project's learnings so far, have been useful to influence the policies of the government although concrete outcomes are yet to come by.

### **Need for the Workshop:**

The Government of Andhra Pradesh being concerned about the prevalence of exploitative labour practices including bondage situations in certain economic activities that engage poor and vulnerable migrant workers, organized a workshop with

stakeholders in collaboration with the Ministry of Labour and Employment, Government of India and the ILO on 26<sup>th</sup> of August 2009 at Hyderabad. It was decided to prepare and implement a time-bound and result oriented project to benefit workers in three economic sectors namely **Brick Kilns, Stone Quarries and Stone Crushers** in Andhra Pradesh. It was emphasized that all stakeholders [Government, employers, trade unions, Civil Society Organisation (CSOs) and Non Governmental Organisation] should be involved in implementation of the project in order to be effective. During this workshop and subsequent project development work undertaken with ILO's assistance, it was found that a significant size of vulnerable workforce in Andhra Pradesh is seasonal migrants from the state of Orissa. The stakeholders opined that effective strategies for addressing issues of migrant workers in Source state - Orissa and strengthened inter state coordination mechanism are the urgent priority work areas. The new project in AP has been approved by the Chief Minister of the state.

It may be noted that as part of replicating the approach to other States, an orientation workshop was held in Haryana on 1 July 2010. The need for addressing inter-state migration challenges; improvements in work place through social dialogue; better working and living conditions and convergence of schemes to reduce vulnerabilities of family to situations of bondage was expressed as immediate concern areas in Haryana. A concept note entailing a road map for Haryana was developed in July 2010 and awaits inputs from the Central and State Government.

#### **Objectives of the Workshop in Orissa:**

1. To understand the whole gamut of issues faced by stakeholders while addressing the problems of migrant workers from Orissa.
2. To gather inputs for developing an action plan to address the issues identified for preventing bonded labour.

#### **Outcomes of the Workshop:**

Draft road map for addressing inter-state migration concerns in State of origin (Orissa) and State of destination (Andhra Pradesh) developed with the objective to reduce poverty and vulnerability of workers to situations leading to bondage.

#### **Suggested List of Participants:**

- Orissa Government\* - 15
- AP Govt. officials - 01
- TN Govt. officials - 01
- Jharkhand Government - 01
- Banks (Nationalized & Lead) - 04
- LIC representatives - 02
- Employers representatives - 05
- Recruiters/Maistries - 05
- Trade Unions Representatives - 05
- Civil Society Organizations - 05
- NHRC - 01
- DGLW, MoLE - 02

• ILO		- 03
	<b>TOTAL</b>	<b>- 50</b>

\* The State Government may please advice on participation of relevant departments. It is suggested that the following State Departments would be essential for the workshop:

- Labour (responsible for inter-state migration, NCLP, RSBY, BOCW, Pensions)
- Panchayati Raj (responsible for bonded labour)
- Factories
- Education (SSA)
- District Literacy Mission
- Health and Family Welfare (ICDS)
- Women and Child
- Rural Development (SHG, NREGA)
- Technical Education
- SC & ST welfare
- Revenue
- Any other department/society (if these is any like Society for Elimination of Rural Poverty in Andhra Pradesh) suggested by State Government

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