

TUs plan strike in core sectors

STATESMAN NEWS SERVICE

NEW DELHI, Nov. 30. — The government-trade union talks on important issues, including the second labour commission report and disinvestment programme, seem to be heading for a breakdown with the major central trade unions planning to hit the path of agitation in a big way, with special emphasis to strike at the core sectors of power, insurance, banking, oil, communications, ports and docks. They also plan a strike in the defence production centres and in the coal sector.

The national working committee of the Aituc and Citu are meetings from tomorrow in Delhi and Haryana respectively to prepare the action plan. The pro-Congress Intuc and other eight other central trade unions including the HMS will join hands. They are also planning to meet the pro-BJP BMS leaders to involve them in their agitation.

"The trade union representatives have realised that the meetings the Prime Minister and the labour minister held with us were just formalities and that the government is not serious about our demands. So we have decided to hit the streets through direct actions including road roko and jail bharo agitation. We are in the process of finalising a strike in the defence and coal sector as the government failed to implement the assurances it had

made last time to have us withdraw the strike-plan", Aituc general secretary, Mr Gurudas Das Gupta said.

Eight major trade unions have now decided to launch a nation wide satyagraha on 8 January and 26 February to protest against the economic policies, disinvestment, down-sizing and moves to amend labour reforms. The trade unions are planning to mobilise around two million workers, including those from the unorganised sector for their protest days. Their demands also include 'concrete' social security laws for unorganised workers and a comprehensive legislation for the agriculture workers.

Around 400,000 workers are scheduled to strike work for 48 hours in the ordnance factories on 18-19 December against the government move to bring private participation in the defence production centres. The coal workers are meeting in Kolkatta on 11 December to finalise their strike against the proposed privatisation plans.

After their earlier stir over the disinvestment of Balco, the trade unions are taking the Nalco sell-off plan as a platform for regrouping forces against the disinvestment programme. Some days ago, prominent TU leaders and some Orissa Congress leaders joined hands in Delhi to work out plans to intensify their stir over the Nalco issue.

THE STATESMAN

1 DEC 2002

Wagon
1974

Class act

518
1974
Not one more labour law, please

It can be no one's case but the exploitative businessman's that protective legislation for labour is necessary. It is the distinction between necessary and complicated and egalitarian and harmful that is frequently ignored. Most recently by the Union labour minister, Sahib Singh Verma. His ministry has discovered the need for more laws to be added to the already mind numbing list of labour regulations, the excuse being the unorganised sector. The unorganised sector is, of course, in many cases highly exploitative of its workers who have no legally enshrined rights, no benefits and no forums in which to seek redress. What good a compendious law will do for them is, however, a moot point. The idea of a minimum wage is silly and will hurt unorganised labour in so far as total employment will go down. More, forcing small employers or householders to pay a government-dictated wage will add another avenue for corrupt officials. The same goes for transplanting organised sector labour benefits like paid leave, bonus, etc on the unorganised sector. The dynamics of industry and informal sector are different, with the latter operating on a fluid workforce with a high turnover rate. Permanent or semi-permanent jobs that underline the concept of labour benefits do not apply to the unorganised sector. What the unorganised sector needs is not cumbersome laws but a growth in demand for its services which alone can bring about improvements. And that means economic growth. Hypocritical concern for the unorganised sector cannot cover either the inability of government to reform archaic labour laws on the statute book or the demand driven opportunities to increase avenues for unenforceable regulations and increasing opportunities for corruption.

The labour minister would be better advised to concentrate on reforming organised sector trade unionism and employment laws. There have been proposals galore on restructuring unions to make them more worker-centric and less forums for professional agitpropists, with political backing. Proposals for regulating hire and fire laws have been around for a long time too. Commissions have sat on them until they have been flattened into a political compromise. Groups of ministers have then passed it around. Mr Verma should be pressing the case for reforming these relics, arguing that they are in the interests of more employment for many at the cost of secure livelihoods of a privileged few. The unorganised sector he talks about these days would have been better off by now had industrial employment not been turned into an exclusive socialist island by sixties' and seventies' labour laws. Crooked employers routinely abuse these so called labour protection laws — for example, by driving an unit to ruin by siphoning off money knowing that the government will step in to keep the jobs going. Let employers have the right to hire and fire but with mandatory contributions to a redundancy insurance scheme. A much better idea, Mr Verma, than redundant laws, although you will have to work at it. By contrast mouthing hypocritical nonsense costs nothing. Make your choice!

13 NOV 2002

Govt. urged to hold tripartite talks on labour panel recommendations

By Our Special Correspondent

NEW DELHI, NOV. 10. A two-day seminar on unorganised sector, organised by the V.V. Giri National Labour Institute, has asked the Government to hold tripartite dialogue before drawing up any plan of action on the recommendations of the Second National Commission on Labour.

The conclusions, arrived by the group on umbrella legislation for the unorganised sector, according to the Centre of Indian Trade Union (CITU), reiterated that legislative provision for minimum wages should be made in the light of the recommendations of the 15th session of the Indian Labour Conference and the Apex Court ruling in the Raptakos Brett Case.

The CITU said in a statement that the

participants deplored the Commission report, which was at variance with the recommendations of the study group constituted by the panel itself.

They also opposed the concept of floor level wages and insisted that a national minimum wage should be determined and any State-level minimum wage should not be less than it.

The seminar recommended extension of Employees State Insurance and Provident Fund schemes to the unorganised sector as well and social security schemes should address health, maternity benefit, disability and old age income security concerns.

There was unanimity that agricultural workers should not generally be clubbed with the unorganised sector but a separate national-level legislation enacted for their

benefit covering workers in farming, horticulture, sericulture and other related sectors.

Since the unorganised sector comprised 92 per cent of the working population, there was consensus that both the Central and the State Governments should contribute a certain proportion of their revenues, besides levying cess from the employers, for extending welfare and social security benefits to these workers.

Employers' associations and the central trade unions should be given equal representation on the tripartite bodies relating to the unorganised sector.

Their participation should be ensured in the process of formulation and preparation of schemes for the benefit of organised sector.

1 1 NOV 2002

THE HINDU

40-11 Consensus on disinvestment, globalisation eludes labour meet ²⁰¹⁹ _{labour & S. Dept.}

By Our Special Correspondent

NEW DELHI, SEPT. 29. Even as the Union Labour Minister, Sahib Singh Verma, said that discussions were fruitful and most of the decisions were reached unanimously, the two-day 38th session of the Indian Labour Conference, which concluded today, failed to produce consensus on two most controversial economic issues of concern to labour — disinvestment and impact of globalisation.

Differences surfaced during the group discussions with both the representatives of the employers and employees sticking to their well-known positions. The labour representatives opposed disinvestment and wanted the review of the disinvestment policy as, in their view, it did not serve the national interest.

They demanded that there should be no disinvestment in a profit-making public sector undertaking.

Mr. Verma, who briefed the media, conceded that consensus on these two issues could not materialise in the face of the divergence of opinion. The employers favoured the policy of disinvestment for enhancing the efficiency and competitiveness of the enterprises.

PSUs operating in the strategic sector, they felt, could be exempted from the disinvestment process. Broad-basing of ownership of privatised companies and keeping the interest of the workers in mind too was suggested.

Though it reiterated the need for pursu-

ing the current disinvestment policy and programme, the Government felt that some of the positive suggestions could facilitate fine-tuning of disinvestment.

In this regard, Mr. Verma said that offering equity to the workers as first preference could be considered.

In fact, the Disinvestment Ministry was working in this direction and he would take up this matter with his counterpart.

'Jobless growth'

While each side pointed to the positive and negative impact of globalisation, the loss of jobs and adverse impact on the Indian industrial scene was more in focus. How to counter the adverse impact and save jobs was the major concern even as there was an agreement that a high growth rate of 8 per cent should be realised.

The trade unions said that globalisation had brought jobless growth as MNCs were purchasing the existing enterprises only. The ILC wanted establishment of a Skill Development Fund and convergence of training and employment schemes, besides working for creation of one crore jobs every year.

A section of the participants felt that instead of reducing Government spending, disinvestment in the public sector, devaluing currency and reducing spending on social security, "we should bring in improvement in the public sector, encourage domestic savings and invest more in social sectors.

Employment generation should be an

important criterion for investment policy while viability and technological updating should be accorded due weightage.

The policy orientation should promote diversified and sustainable employment. The conference favoured strengthening and encouragement of the SSI sector for new job opportunities.

The ILC unanimously urged the Government to simplify and rationalise labour laws applicable to small-scale industries. It endorsed the concept of self-certification instead of periodic returns and inspection of small-scale units.

It also favoured an indepth review of the social security scheme. The Government, it said, should increase spending on social security by one per cent to two per cent. A National Social Security Policy covering all workers should be formulated, besides establishing a National Social Security Authority headed by the Prime Minister, Atal Behari Vajpayee.

Making the existing social insurance scheme more effective in relation to workers who lose jobs, and consolidation of social security laws through a comprehensive law was recommended.

Mr. Verma said divergent views were expressed on the recommendation of the Second National Commission on Labour. Before the Government decided on its recommendation, including changes in the industrial dispute, a detailed discussion on the report by a tripartite committee has been favoured by the State Labour Ministers.

Another Dunlop worker kills self

HT Correspondents
Kolkata/Hooghly, September 30

A DUNLOP employee hanged himself today because he couldn't finance his son's dream to study medicine. The son had bagged a seat in the Calcutta Medical College.

Narayan Biswal (49), a resident of Kafidanga of Chinsurah in Hooghly, is the 12th Dunlop worker to commit suicide since the closure of the factory's Sahagunj unit in February 1998. Twenty-five other workers have died of starvation and poverty.

This is the second death of a Dunlop worker this month. On September 13, tyre division worker Gokul Mathor died after starving for seven days.

The police haven't found any suicide note but of Narayan Biswal's family says he couldn't get over the guilt of not being able to fulfil his son's dream when the 20-year-old had done his part by securing a seat in the prestigious college.

Biswas was a fighter. He had recently started working as a bus helper to support the family but this "guilt" — as his family

says — was just too much for him.

The Biswals were quite well off when the factory was in operation. Narayan Biswal worked in the V-belt section of the factory and brought home a substantial salary. He had even built a two-storey house, which has in fact sustained them these four years. But the sudden crash in fortune was too much for Biswal.

Biswal didn't give in to fate. He rented out the ground floor of their two-storey house and started looking for odd jobs. His son, Debraj was a promising 16-

year-old then and daughter Debanjana all of eight years.

Biswal believed his fortunes would turn some day. It didn't. The rent from the ground floor was a mere Rs 600 and his savings dwindled. Soon, he had to quit the odd job and started working on a bus, which would give him a steady income, however small. But all that ended when despite his best efforts he couldn't get Debraj, now a zoology honours student, to the Calcutta Medical College.

"He was extremely depressed since the last few days due to

acute financial crisis. Last night he refused to take food and went to straight to bed," said Biswal's wife Purnaptrava.

This morning, around 4.30 am, she found him hanging from the ceiling of the room.

Local trade union leader Tapan Dasgupta says the Dunlop closure didn't affect company employees only. Apart from the 3,500-odd Dunlop workers, over 50,000 residents of Chinsurah and Bansberia are also facing acute financial crisis since the closure of the Dunlop Sahagunj unit.

INDIAN TIME

1 2007

Govt, TUs mull firmer social safety net

No consensus on reforms

CL Manoj in New Delhi

Sept. 29. — The two-day session of the Indian Labour Conference (ILC) has ended without a consensus on two crucial issues which are key to the future of economic reforms: the Second National Labour Commission report and the disinvestment policy. But as a consolation, the ILC managed to hammer out some formulae aimed at firming up a "social safety net" and streamlining the crisis-ridden small-scale industry sector.

The unabated stand-off on labour law reform and disinvestment has once again negated the "consensus call" by the Prime Minister and added to the challenge before the government. For the labour ministry, a "positive ratification" by the ILC of the Labour Commission report could have provided a "tactical edge" in its effort to find a way out on this front "before the next Budget session".

Nevertheless, Union labour minister Dr Sahib Singh Verma tried to put on a brave face at the post-session press conference, saying he was happy that "there is a consensus among all participants on the need to find a consensus on these issues". He said he will now start another round of negotiations on the Commission's report with various TUs and employers' associations from 5 October. There will also be a detailed two-day tripartite discussion on it starting 31 October.

Today's highlight was a half-day discussion on the Labour Commission report, where TU leaders and employers' representatives were caught in a tug-of-war and the government caught between. Mr Uday Patwardhan of the BMS, Mr WR Varadarajan of Citu, Mr Mahadevan of the Aituc, Mr Umaraomal Purohit of the HMS and Mr V Sanjeeva Reddy of Intuc closed ranks to oppose the report and demanded a special session to discuss it threadbare. Mr Reddy, who

was a member of the Commission, however, said the contents are "50 per cent good and 50 per cent bad". The TU leaders promised to participate "with an open mind" in the search for a consensus but asked the government to spell out its views first.

The employers' representatives, including Mr Ram S Tarneja, Mr IP Anand and Mr Anil Anand, said outdated labour reforms were a major bottleneck which hindered employment generation and investment flow. He urged the government to implement the new report as a "Diwali gift".

On disinvestment, the TUs "felt the policy should be reviewed as it did not serve the national interest". They also opposed divestment of profit-making PSUs.

Employers, however, supported the disinvestment policy "for enhancing the efficiency and competitiveness of the enterprises", sought an emphasis on "broad-basing ownership of privatised companies", but felt "PSUs operating in the strategic sector should be exempted from disinvestment".

The government in turn, while reiterating the need for "pursuing the current disinvestment policy and programme" said it has taken note of the views expressed and felt some of the positive suggestions would "facilitate in further fine-tuning the process of divestment".

The ILC proposed a National Social Security Authority under the Prime Minister, more government spending for social security of workers, special funds with tripartite contributions and many other schemes for labour welfare.

It also agreed on the need to "simplify and rationalise labour laws" to prepare small-scale industries face the challenges of globalisation. The specific details of this formula, however, had to be "deleted" in the face of TU resistance.

The Indian Labour Conference meet ended without a consensus on the two key issues of divestment policy and the Second Labour Commission report. But parties agreed broadly to bolster social security for workers and streamline small-scale industry

PM calls for consensus, labour warns of clash over reforms

Govt, TUs cross swords at ILC

51 29/9 9 Labour & S. Security

STATESMAN NEWS SERVICE

NEW DELHI, Sept. 28. — The Indian Labour Conference (ILC) opened on a stormy note today with the Prime Minister calling for a national consensus on economic and labour law reforms to achieve an eight per cent annual growth rate, trade union representatives dumping reforms and the Second Labour Commission (SLC) report as anti-poor and anti-worker, and employers seeking decisive policy implementation.

This tussle was despite the Union labour minister trying to pacify TU leaders by accepting their session-eve demands — to have a plenary session to allow them to speak after the inaugural session and a more detailed discussion of the SLC report at an October 30-November 1 tripartite meet. The TU leaders said decade-long reforms had “hit the poor hardest”. They dubbed the talk of social security a “farce”, the ILC a “debating society”, and the labour ministry as a “bonded” to the finance ministry.

Inaugurating the session, Mr Atal Behari Vajpayee asserted that India could not shy away from the process of globalisation and strongly advocated a consensual approach to achi-

PM rues ‘court rush’

NEW DELHI, Sept. 28. — The Prime Minister today expressed dismay over the growing tendency of the authorities to rush to courts to settle disputes. Speaking at the ILC, he said the courts were being moved even in matters which could be settled bilaterally.

He cited the Cauvery waters row, which he said could have been sorted out by the two states instead of seeking a legal remedy. Referring to J&K, he said the successful conduct of Assembly polls has caught the world by surprise, adding that a new government will be installed if need be. — SNS

...eve eight per cent growth, while allaying fears of workers on social security: “Consensus and Opposition politics should not be contradictory. A line has to be drawn somewhere and national interests made paramount if the country has to achieve eight per cent growth and deal with poverty, unemployment,” he said.

Stating that India could not ignore developments in the wake of global-

isation “except at her own peril”, Mr Vajpayee, however, made it clear that “we shall never dilute our commitment to broadening social security”.

He said history has proved wrong those who advocated “irreconcilable class conflict”, not harmony, in labour-capital relations. Labour minister Mr Sahib Singh Verma also called for consensus on labour reforms.

At the plenary session, the TU leaders responded. Aituc leader Mr Gurdas Das Gupta warned of an all-out confrontation if the “anti-worker policies and reports” are implemented through “fake consensus”. Citu leader Dr MK Pandhe said if the government tries to implement the commission’s proposals, then “the Prime Minister will understand what class struggle is all about”. BMS leader Mr Hasubhai Dave asked the Prime Minister to reject the labour commission report, and review the “anti-labour recommendations”.

Intuc chief Mr VS Reddy opposed sell-off of profit-making PSUs, and demanded workers be allowed to “take” shares of PSUs listed for sell-off. The employers’ representative, Mr RS Tarneja, sought speedy implementation of economic and labour reforms and more disinvestment of PSUs.

29 SEP 2003

'INTERESTS OF LABOUR WILL BE PROTECTED'

PM seeks consensus on economic reforms

By Our Special Correspondent

NEW DELHI, SEPT. 28. Aware of the Parliamentary arithmetic, which does not permit the Government to push economic reforms through the legislative agenda, the Prime Minister, Atal Behari Vajpayee, today once again called for a political consensus on the issue.

"Consensus and opposition politics should not be contradictory. A line has to be drawn somewhere and national interest should be paramount if the country has to achieve eight per cent economic growth and deal with poverty and unemployment," Mr. Vajpayee said, inaugurating the 38th session of the Indian Labour Conference here.

Stating that India could not stay aloof from the developments in the wake of globalisation "except at her own peril," he, however, made it clear that in a bid to accelerate economic reforms, "we shall never dilute our commitment to broadening the social security net for workers."

The needs of labour had to be adequately met and the interests of workers safeguarded, he said, adding that there could be no room for exploitation of labour by capital.

Referring to the second National Labour Commission re-



The Prime Minister, Atal Behari Vajpayee, with the Union Labour Minister, Sahib Singh Verma, and the Haryana Chief Minister, Om Prakash Chautala, at the 38th session of the Indian Labour Conference in New Delhi on Saturday. —Photo: V.V. Krishnan

port on issues of welfare, safety and security of labour, he said a decision on the recommendations would be taken soon. He assured the trade unions that the Government would consider their demands for raising the ceiling on bonus and introducing suitable changes in recognising trade unions by identifying a truly representative negotiating agency.

Since labour reforms played an important part in growth

strategy and created new employment opportunities for skilled and unskilled labour, it (reform) was "the only right choice", Mr. Vajpayee said.

'EPF rates won't change'

The Union Labour Minister, Sahib Singh Verma, in his presidential address, ruled out any change in the prevailing rate of interest on the Employees Provident Fund. Ignoring the reservations of the Finance Ministry,

he maintained that the rate of interest would continue at 9.5 per cent, as it was paid out of the income earned from the fund.

Harshu Bahi Dave of the Bharatiya Mazdoor Sangh, speaking on behalf of trade unions, demanded that all the "anti-labour" recommendations of the National Commission on Labour be rejected. He also opposed disinvestment in profit-making PSUs.

28 SEP 2001

THE HINDU

Labour & S. Security

TOWARDS SOCIAL PARTNERSHIP

19-10

THE REPORT OF the Second Labour Commission headed by Ravindra Verma serves mainly as a reminder of missed opportunities for labour law reform and the need to act before it is too late. Many of its major proposals, including the promotion of unionisation, bilateralism and arbitration, setting up of Central and State Labour Commissions and a mechanism for recognising bargaining agents, have been recommended in the past by several committees. Noteworthy among these was the G. Ramanujam Committee, whose exemplary report of 1990 got lost in the political realignments then taking place in the country. Hence the Verma report serving as a timely reminder of these suggestions should be given due consideration, despite some flaws in its proposals. The report rightly points out the weakening position of trade unions in the post-1991 decade in the wake of globalisation and loss of jobs in the organised sector. In seeking to use labour laws to strengthen the country's competitiveness in the global market, it exposes myths about "hire and fire" obtaining in China and about the absence of "flexibility" in labour laws being the main hurdle to competitiveness. However, while calling for a "change of mindset" towards developing social partnership between employers and workers through bilateralism, it assumes that permanent jobs are a vanishing species. It is only as a measure of "transition" to a labour market dominated by non-permanent jobs (or a "different concept" of job itself), in the absence of wholesome social security, that it has recommended certain safeguards. It is not surprising, therefore, that the report seeks to keep retrenchment and lay-off in continuing industries out of the ambit of bilateralism, thereby raising the risk of heightened industrial unrest. It is perhaps advisable to keep this issue subject to bilateral agreements, just as in the case of outsourcing of non-core jobs. However, no one can quarrel with the report's suggestion that closures of undertakings (for which it wants the provision for state permission to continue) be allowed as a matter of course

within 60 days, subject to justiciability of the compensation to be paid to workers. The harm done (by way of "asset stripping" of enterprises by managements and uncertainty of employment and terminal benefits to workers) thanks to the inaction of State Governments in responding to applications for closure of non-viable industries is too well known to warrant elaboration.

Bilateralism is also sought to be promoted through the setting up of unit-level grievance committees and expanding the subjects covered in Standing Orders through agreements. Near-unanimity is likely to greet the idea of a separate and comprehensive labour law for enterprises with less than 20 workers. In respect of the ticklish issue of "essential services", in which society as a whole is perceived to have a great stake, the proposal to scrap the controversial ESMA (Essential Services Maintenance Act) is a positive and bold step. But the alternative suggested, viz., the concept of a deemed strike, based merely on a majority strike ballot, may turn out to be an illusory solution. It should be understood that contrary to popular perception, employees irrespective of where they work, do not consider strikes a tea party and do not opt for strikes except as a last resort. Thus, the only way of avoiding strikes in such services is still greater emphasis on fairness, dialogue and bilateralism and there is no short cut.

The Verma report also suggests that a national single minimum wage should be the main instrument of protection of the working conditions of unorganised labour. This suggestion should be taken seriously. The Commission has avoided the temptation of relying wholly or mainly on a contributory and private sector-led social security system for unorganised labour. Any approach of outright rejection of the report out of ideological posturing would only harm the cause of workers. Indian employers facing competition from cash-rich and technology-rich multinationals have an equal stake in labour-intensive production and thus in learning to live amicably with an expanding workforce.

20 SEP 2003

NDU

Starving Dunlop worker dies at factory gate

HT Correspondent
Kolkata, September 13

GOKUL MATHOR hadn't a morsel to eat since a week. Today his heart gave up.

Mathor (53) is the 36th Dunlop worker to die of starvation and acute poverty after the Sahagunj factory closed down in February 1998; 11 of these deaths were suicides. There are 3,500 other Dunlop workers in penury, waiting for their pay since four years.

Mathor was extremely depressed in the last few weeks because he couldn't buy medicines for his youngest son, 10-year-old Subhas, who is suffering from jaundice.

The guilt, hunger and depression proved too much and today he suffered a massive heart attack.

Other workers were rushing him to hospital when he died, ironically, at 9.30, just outside the factory gates.

Mathor died penniless when he officially had 13 years of service ahead. The family had been surviving day to day for about three years from whatever Mathor's son brought home as a daily labourer. He leaves behind a wife and three sons.

Mathor worked in the tyre section of the Sahagunj unit when the gates slammed shut one cold February morning in 1998.

A resident of NH-4, New Family Quarters of the Dunlop's Sahagunj unit, Mathor, like most other Dunlop workers, was facing acute poverty. Mathor tried his luck at getting some other work but past 50, there were few avenues.

His meagre savings vanished in no time. His health deteriorated. His eldest son Sohan started working as a daily labourer to support the family.

There was a glimmer of hope when the factory reopened just before the Parliamentary Elections of 1999. But before maintenance work could be completed and production started, the doors were shut once again.

That was a cruel blow. Math-

or, like many of his fellow workers, slipped into depression. Some committed suicide to end the misery. Today, only the security guards and firemen get some money, but that is irregular too.

The workers are incensed because they feel Mathor would have survived if the hospital run by Dunlop were in operation.

"Dunlop India ran a hospital inside the complex but it closed last year. The nearest hospital is in Chinsurah, six km from the factory quarters. Mathor died without any medical help," said Tapan Dasgupta, general secretary of the Ajit Panja faction of the Trinamool.

Dasgupta was the first to reach Mathor's house and arranged for his cremation. "The family had absolutely nothing. They didn't how they would get the money to cremate Mathor," he said.

"Things are going toward anarchy," said Intuc chief Subrata Mukherjee. "This is not the first death and if the State Government doesn't do something, it won't be the last. Educated people are forced to ply rickshaws."

Mukherjee said, adding that the Chamber of Commerce should donate money for the poor workers and create alternative employment.

The Dunlop factory closure not only shattered its workers, it

wrecked the economy of Sahagunj and its adjoining area as well.

Other dependant units, like Pench Steel, Window Glass and Eastern Papers, closed down its wake rendering thousands of workers jobless. It is estimated that more than 50,000 people have been affected.

Dasgupta will lead a delegation of 200 jobless workers of Sahagunj, including workers of Dunlop, to New Delhi on September 28.

They will hold a dharna in front of the Prime Ministers' residence to demand his intervention in reopening the closed industrial units in Sahagunj and Hooghly.

Labour body salvo against employees

STATESMAN NEWS SERVICE & PTI

NEW DELHI, Sept. 7. — The Second Labour Commission has recommended giving a free hand to employers to retrench without prior permission, ruled out the need for a wage board and suggested a check on multiplicity of trade unions.

Keeping in mind globalisation and increased competition, the commission said it was imperative "to evolve a new work culture" where the workers' attitude "has to include pride in maximising his own productivity".

"Prior permission is not necessary in respect of lay-off and retrenchment in an establishment of any employment size. However, in cases of establishments employing 300 or more workers, if the lay-off is continued for more than 30 days, post-facto permission of appropriate government shall be required," said the commission report, released by the labour minister, Mr Sahib Singh Verma, today.

"For meeting the demand of hire and fire, it is necessary to create social acceptability for change and the social institutions that can take care of the consequences."

The panel, headed by Mr Ravindra Varma, recommended that the number of holidays be reduced to five, including three national holidays, apart from 10 restricted ones.

Highlights of labour panel report

- No prior permission necessary for retrenchment;
- No need for any wage board
- Five holidays and 10 restricted ones a year;
- No contract labour for core production/services;
- A trade union with at least 66 per cent membership to be "single negotiating agent";
- Setting up a grievance redressal committee for organisations employing 20 or more persons;
- Creation of a high-power National Social Security Authority, preferably under the Prime Minister's chairmanship.
- Evolving a policy framework and enactment of law for unorganised sector workers to ensure generation and protection of jobs.

Contract labour "shall not be engaged for core production, services activities". However, for sporadic seasonal demand, the employer may engage temporary labour for the activities.

On the trade union front, the commission recommended that the union with a minimum membership of 66 per cent should be the "single negotiating agent". It also suggested setting up of a grievance redressal committee

for organisations employing 20 or more persons.

The commission asked the Centre to bring a comprehensive law relating to working conditions at work places and another for securing the rights of workers in the unorganised sector.

On the unorganised sector, the panel called for evolving a policy framework to ensure generation and protection of jobs, protection against poverty, lack of organisation, arbitrary dismissals and denial of minimum wage. It suggested enactment of a law in this regard which should include creation of a machinery for disposal of claims and complaints.

The panel recommended that the Centre notify a national floor level minimum wage, leaving it to the states to fix the minimum wage which should not be below the national level.

Mr Sahib Singh Verma said he would talk to representatives of trade unions, employers, political parties and MPs to try and reach a consensus on the report. He has already had a round of talks with the leaders of two trade unions. The ministry will hold a two-day meeting soon on the issue.

The minister hoped that some laws could be introduced in the winter session of Parliament to improve the plight of workers, especially in the organised sector.

The ministry is studying the report and has not taken a decision.

Labour panel wants social security made a fundamental right

By P.K. Bhardwaj

NEW DELHI, AUG. 4. The Second National Commission on Labour has not only acknowledged the need for evolving an effective system to take care of the social security needs of the people but also gone a step further by urging the Government and society to declare social security as a fundamental human right.

In its report on the importance of social security, the panel, headed by Ravinder Verma, is learnt to have recommended a system under which the State would bear the responsibility for providing and ensuring an elementary or basic level of security and leaves room for part-

ly or wholly contributory schemes. Implicit in the suggestion is the fact that the responsibility to provide a 'floor' would be primarily that of the State and it would be left to individuals to acquire a higher level of security through assumption of responsibility and contributory participation.

In the Commission's views, such a system would temper and minimise the responsibility of the State and maximise the role and share of individual and group responsibility. Thus, there would be three levels in the system.

Taking into account conceptual issues as well as the demographic profile of the country, the panel, sources said, felt that

no single approach to provide social security would be adequate.

The problem therefore would have to be addressed by a multipronged approach, relevant in the Indian context.

On the ratification of all Conventions of the ILO, the Commission is understood to have endorsed the view of the Study Group on Social Security that it might not be possible to do so immediately.

However, it said that it would be desirable to plan for their eventual ratification by upgrading laws and practices beginning with the Minimum Standard Convention.

Similarly, the panel agreed

with the recommendation of the Task Force on Social Security that the wage ceiling and employment threshold should be uniform with a provision for raising the wage ceiling and its eventual removal and lowering of employment threshold and its ultimate removal.

Favouring changes in the workmen's compensation law, it commended conversion of the law from an employers' liability scheme to one of social insurance.

The coverage of the scheme should be progressively extended to more employment and classes of employees and the restrictive clauses in Schedule II of the law should be removed.

Burial of labour law reform

BY DEVADEEPPUROHIT

Calcutta, July 28: The Bengal government has decided to scrap the expert committee it had set up a few weeks ago to review some of its labour laws. The official line from Writers' Buildings is — We know best; there's no need for change.

"We set up the committee following suggestions from various quarters to review some of the provisions of existing labour legislation in the state. But then we found out that everything was all right and there was no need to incorporate any changes," state labour minister Mohammed Amin said. "So we decided to scrap the committee."

On May 30, the state government had announced the setting up of the committee. A labour

department notification was sent to leading industry associations and business schools to nominate representatives to "critically examine" and "review" the note prepared by consultancy major McKinsey on labour laws.

But before the committee could meet even once, another notification was issued: "... The name of your representative/nominee in the said expert committee need not be sent for the present."

"When we learnt that the government was willing to review some of the draconian labour laws in consultation with industry, we thought that finally things would change in West Bengal. But the recent notification has proved that nothing has really changed in this

state," an industrialist said.

"How can the government on its own conclude that there is nothing wrong with the labour laws?" he asked.

Referring to the government's volte-face, a businessman said: "We wanted to discuss various issues ranging from Chapter V (B) of the Industrial Disputes Act, introduction of contract labour and adoption of the hire-and-fire principle. But the CPM-led ruling government doesn't want to touch these issues fearing a backlash from within the Left Front."

In the first notification, the Buddhadeb Bhattacharjee government had expressed the desire to follow in the footsteps of Maharashtra, Tamil Nadu and Andhra Pradesh.

"The Bengal government's

lack of interest in effecting changes in labour laws to protect only the organised sector is a clear indication of its apathy towards the working class," said Kavita Khanna of the Mumbai-based Indian Merchants' Chamber.

The wife of actor-turned-minister Vinod Khanna had led the move to persuade the Maharashtra government to announce the review of Chapter V (B) — which makes it mandatory to seek government permission to close an industrial unit with a workforce of over 100 — in its policy papers.

Khanna said the Bengal government's move would "further dampen" the growth of the manufacturing sector. "Studies have shown that these stifling laws have only led to higher rates of unemployment," she said.

THE TELEGRAPH

29 JUL 2002

Ministry to invite comments

Below of S. S. S. S. **Labour** *5-13 21/3*
**panel report
by end-July**

PRESS TRUST OF INDIA

NEW DELHI, July 20. — The report of the second National Labour Commission, which examined several critical areas of reforms, will be tabled in Parliament by the end of this month, the labour minister, Mr Sahib Singh Verma, said today.

Mr Verma said that since the report was voluminous, it would take time to prepare sets for all the MPs before tabling it in Parliament. "We will try to do it by next to next Monday," he said.

The minister said that once the report was tabled in both the Houses of Parliament, the government would consider putting it on the website of the labour ministry.

He said that the ministry would like to elicit views of various sections separately including employees, employers, trade unions and political parties on the report so that the government could come out with an Action Taken Report (ATR) by the winter session of Parliament.

The report of the commission, headed by Mr Ravindra Verma, was submitted to the Union Cabinet on Thursday.

The commission was set up in October 1999 to suggest rationalisation of existing labour laws in the organised sector and umbrella law for the unorganised sector.

The panel is understood to have opposed a hire-and-fire policy without provision for a judicial review saying this was against the constitutional guarantee of the right to seek justice.

On the government's proposal for raising the limit of 100 workers to 1,000 for effecting retrenchment, layoff and closure of industrial units without prior permission, the Commission is believed to have adopted a via-media path suggesting that the limit be kept at 200 or 300 and not 1000 as mooted by the then finance minister, Mr Yashwant Sinha.

On the issue of contract labour, the panel has pleaded strongly for a holistic view instead of piecemeal approach.

The panel has proposed enactment of seven new labour laws on labour management relations, wages, occupational safety and health, small enterprises, hours of work, leave and other working conditions at workplace, child labour and unorganised sector.

Labour report for Cabinet

FROM OUR SPECIAL
CORRESPONDENT

New Delhi, July 18: The government today placed before the Cabinet the report of the National Labour Commission, which has made recommendations on a range of issues, including the controversial labour law reforms.

The Centre has been maintaining that it will not implement the reforms till the commission submits its recommendations, which are, however, not binding on the government.

At a press conference this evening, Union information and broadcasting minister Sushma Swaraj said: "The NLC report will now be placed in Parliament library and on the website." Earlier, labour minister Sahib Singh Verma had told Rajya Sabha that

the government would have discussions with trade unions and political parties on the report before arriving at a decision.

The main dispute on labour reforms involves an amendment to the Industrial Disputes Act, which will make it easier for employers to close down units. At present, only those units employing less than 100 workers can close down without prior permission of state governments. The amendment will raise the ceiling from 100 to 1,000 — a proposal that has been opposed by earlier labour ministers such as Satyanarain Jatiya and Sharad Yadav.

There is also resistance to a proposal to amend the Contract Labour Act to make the jobs more contractual rather than permanent.

Although the Vajpayee gov-

ernment would like to push through labour law reforms, there is apprehension that any move that will hit workers will not go down well with the electorate. The BJP is thus wary of hurrying the reforms through, especially at a time when the party has lost a string of Assembly elections.

Former finance minister Yashwant Sinha had tried hard to ram through the reforms — but there was opposition not only from within his own party but also allies like the Shiv Sena.

Earlier in the day, Opposition and Shiv Sena members triggered a 40-minute discussion on the commission report. "We would like to know what is the government's difficulty in tabling the NLC report in Parliament," asked deputy leader of Opposition Pranab Mukherjee.

LABOUR LOST

At the meeting of the prime minister's council on trade and industry, the prime minister spelt out a wish-list. This has a legislative agenda that includes not only the electricity bill and the petroleum regulatory bill, but also labour law reform. Now that the second labour commission has submitted its report, Mr Atal Bihari Vajpayee has promised to implement the recommendations on the basis of consensus. Consensus means majority rather than unanimity and the distinction is more than pedantic. Does one mean 8 per cent of the labour aristocracy employed in the organized sector (led by unions) or does one mean 92 per cent in the unorganized sector? There was a first national commission on labour, set up in 1966, with a report submitted in 1969. Why was the second labour commission, set up in 1999, at all necessary? The terms of reference suggest that post-1991 liberalization has altered the structure of the economy and fresh examination is necessary. This argument is of doubtful validity, since labour market rigidities in the organized sector and consequent artificially high capital intensity and loss in potential jobs have been "researched" *ad nauseam*. Chapter V-B of the Industrial Disputes Act is dysfunctional and does not protect the broader interests of labour. It is because this examination has already taken place that the government went ahead and announced changes in Chapter V-B in a budget speech. Hence, the second labour commission was set up not for examination but to assuage unions.

And the second labour commission has expectedly delivered. It does not want Chapter V-B changed. Coupled with similar recommendations from the planning commission's S.P. Gupta committee, Mr Vajpayee does not have his consensus. Presumably this means that regardless of what was said at a meeting of industrialists, labour laws do not change. The second labour commission was also supposed to unify and harmonize labour laws. This was also a waste of time, because such an exercise was attempted in 1994, and the national labour code resulted. The national labour code was never implemented, and the second labour commission did not even try the rationalization exercise. Its recommendations incline towards extending labour laws to the unorganized sector, ignoring implementation problems. Thus there will be a special law for small industries that employ fewer than 19 workers and a Child Labour (Prevention and Education) Act.

If the former recommendation is accepted and implemented, it will impart labour rigidities to the unorganized sector also, thus killing the comparative advantage India possesses in labour abundance. It is not surprising that most Indian exports originate in the unorganized sector, where labour markets are at present flexible. The recommendation of a Child Labour Act is a harebrained scheme, as is the idea of a Central unemployment scheme and making social security a fundamental right. Apart from anything else, targeting, preventing leakage and implementation are serious problems. As Indian policy-making has often proved, the road to hell is paved with good intentions. Pity the second labour commission was ever set up.

Make labour panel report public: AITUC

By Our Special Correspondent

NEW DELHI, JULY 2. The All India Trade Union Congress (AITUC) today demanded that the report of the Second National Labour Commission, submitted to the Prime Minister on Saturday, be made public immediately and the trade union organisations be consulted before taking any decision.

In a statement, Gurudas Dasgupta, general secretary of the AITUC, accused the Government of carrying on the process of deliberation on amendment of labour laws secretly and behind the backs of the trade unions.

He called upon the working class to rise to the occasion and build up resistance against changes that would do immense harm to their interests.

He said a joint meeting of the Central trade unions would be held here on July 15 to chalk out a strategy to pressure the Government to give up its 'anti-labour' and 'anti-people' policies. This would be the first time that all trade unions collectively take stock of the situation and decide on the future course of action.

It was curious that the report had not been made public. Even the Central trade unions, which had no representation on the Commission, had been kept in the dark. No copy had

been made available to these organisations, he said.

Noting that the Commission had recommended dilution of the Industrial Dispute Act by suggesting that establishments employing up to 300 workers need not go to the Government for permission to resort to closure, layoff or retrenchment, he said, "we apprehend that the overwhelming majority of the workers in the organised sector in the country, not to speak of the unorganised, would be left out of any legislative protection and be at the mercy of the corporate managements, who have been deliberately following a policy of hire and fire to pass on the entire burden of recession on the working class."

He said the Commission had sought to legitimise contractualisation.

It had also recommended the extension of normal daily duty by one hour without any corresponding rise in the payment of wages paving the way for intensification of the exploitation of the labour.

Similarly, the number of paid holidays for the workers was also sought to be reduced and strikes virtually banned.

This was yet another move at the behest of employers to mount further attacks on workers and employers, Mr. Dasgupta alleged.

BMS strikes a dissenting note

By P.K. Bhardwaj

NEW DELHI, JUNE 29. The efforts of the Second National Commission on Labour to present "unanimous recommendations" on critical issues concerning the working class did not fructify with a dissenting note coming from none other than a central trade union associated with the ruling Bharatiya Janata Party.

The commission's report was

presented to the Prime Minister, Atal Behari Vajpayee, today.

The Bharatiya Mazdoor Sangh (BMS), trade union wing of the Sangh Parivar, appended a note of dissent on the controversial move to change the Industrial Disputes Act (IDA).

Its objections related to giving freedom to industrial establishment employing up to 1,000 employees — against the existing cap of 100 — to resort to closure, lay-off or retrench-

ment. No Government permission would be needed for exercising this freedom by establishments in terms of the new stipulation.

The Prime Minister said those who dissented too would feel satisfied with the Government when it implemented the report and that reforms did not mean overlooking labour interests.

Details on Page 11

Sonia writes to PM on yatra

By Our Special Correspondent

NEW DELHI, JUNE 29. The Leader of the Opposition and Congress president, Sonia Gandhi, today wrote to the Prime Minister, Atal Behari Vajpayee, seeking his intervention in dissuading the Gujarat Chief Minister, Narendra Modi, from undertaking the Gaurav Rath Yatra as it could further "damage the already sensitive communal situation in the State."

"Alarmed" by media reports of the yatras being planned across the State every weekend with Mr. Modi touring all the

districts along with the yatra, Ms. Gandhi drew Mr. Vajpayee's attention to his "resolve to maintain peace and harmony in our society." "I hope that you will take the constructive step of dissuading the Gujarat Chief Minister from undertaking the Gaurav Rath Yatra," she said.

Reminding Mr. Vajpayee of the "immense damage" the recent "communal violence" in Gujarat had done to the social fabric, Ms. Gandhi said that the organisations held responsible for the violence by agencies like the National Human Rights Commission

and the National Minorities Commission "would receive undue encouragement from this yatra." Also, it would heighten the sense of insecurity among the minorities.

Ms. Gandhi underlined the need to take steps that would assuage the feelings of all the communities and strengthen the forces of tolerance, brotherhood and amity. And the primary responsibility of the State Government was to provide the victims all necessary relief and rehabilitate them in a non-partisan manner.

THE HINDU

30 JUN 2002

Workers' interests won't be ignored

By Our Special Correspondent

NEW DELHI, JUNE 29. The Prime Minister, Atal Behari Vajpayee, today spoke in a reassuring tone after the presentation of the report of the Second National Commission on Labour as he declared that reforms did not mean overlooking the interests of the working class.

Mindful of the fact that a note of dissent had been appended to the report by the Bharatiya Mazdoor Sangh (BMS), an affiliate of the 'Sangh Parivar', Mr. Vajpayee said that after the Government "takes a decision on the recommendations of the commission and implements them" even those who have dissented would feel more than satisfied and would be left with no grouse.

The Prime Minister said the Government would like to implement the recommendations of the panel at the earliest. He was appreciative of the extraordinary pains taken by the panel to produce a report covering the entire gamut of labour-related issues.

The burden of the Prime Minister's address to the members of the panel was that the Government would have to do a balancing act and ensure that industrial efficiency was enhanced to enable Indian enterprises to excel despite global competition without hurting workers much. Implicit in his remarks was that labour interests would not be bartered to meet the challenges of globalisation and that the Government would like to safeguard it to the extent possible.

Talking to mediapersons after coming out of 7, Race Course Road after handing over the report, the panel chief, Ravindra Verma, admitted that there was a note from one of the representatives of the Central Trade Unions (BMS).

The commission recommendation had more or less been



Ravinder Verma, chairman of the National Commission on Labour, presenting the panel's second labour report to the Prime Minister, Atal Behari Vajpayee, in New Delhi on Saturday. The Defence Minister, George Fernandes, and the Labour Minister, Sharad Yadav, are also seen.

unanimous and the panel tried to strike a balance between the interests of industry and workers. Of course, these had been drawn in the background of the ground realities and challenges of globalisation.

Though Mr. Verma refused to give details of the recommendations and confined himself to making general observations on the ground that the Prime Minister and the Government would decide on how to go public with the document, he said it could well be placed before Parliament. It would also be considered by the Cabinet.

The report has dealt with a lot of controversial issues. According to Mr. Verma, it has made recommendations on issues such as changes in the Industrial Disputes Act and the Contract Labour law which the Industry had been pressing for. The Industry has been demanding right to hire and fire and changes in IDA to raise the cap of number of employees in an es-

tablishment from 100 to 1,000 for dispensing with the requirement prior permission by it before resorting to closure, lay-off or retrenchment.

Mr. Verma said the report contained suggestion for the creation of a Rs. 2,000-crore fund for tackling the problem of child labour and taking care of children and it would be for the Government to decide how to go about the task.

Apart from favouring the enactment of a Child Labour (Prevention and Education) Act, the Commission, sources said, favoured simplification and consolidation of all labour laws into one act. A model prepared by it too had been submitted for the Government's consideration. It did not go into merits of globalisation but said it had adversely impacted employment.

Though the details of the BMS dissent note are not known, it has differed with the Commission's view on the controversial changes in the IDA,

particularly on the question of raising of the cap for securing freedom by an establishment to resort to closure, retrenchment or lay-off.

Even as the BMS has opposed the recommendations, the Cabinet already has in principle approved of the proposal to revise the cap for dispensing with the requirement of Government permission for choosing any of three options in case of difficulties faced by an establishment. The issue as what would be the new cap as against 100 now remains to be decided.

The BMS has been opposing the BJP-led NDA Government's "anti-labour and anti-people policies".

It had attacked the Finance Minister and faulted him for committing impropriety for announcing controversial changes in IDA and Contract Labour laws during the budget speech and not instead waiting for the view of the Commission on these issues.

Banks, PSUs hit by nationwide strike

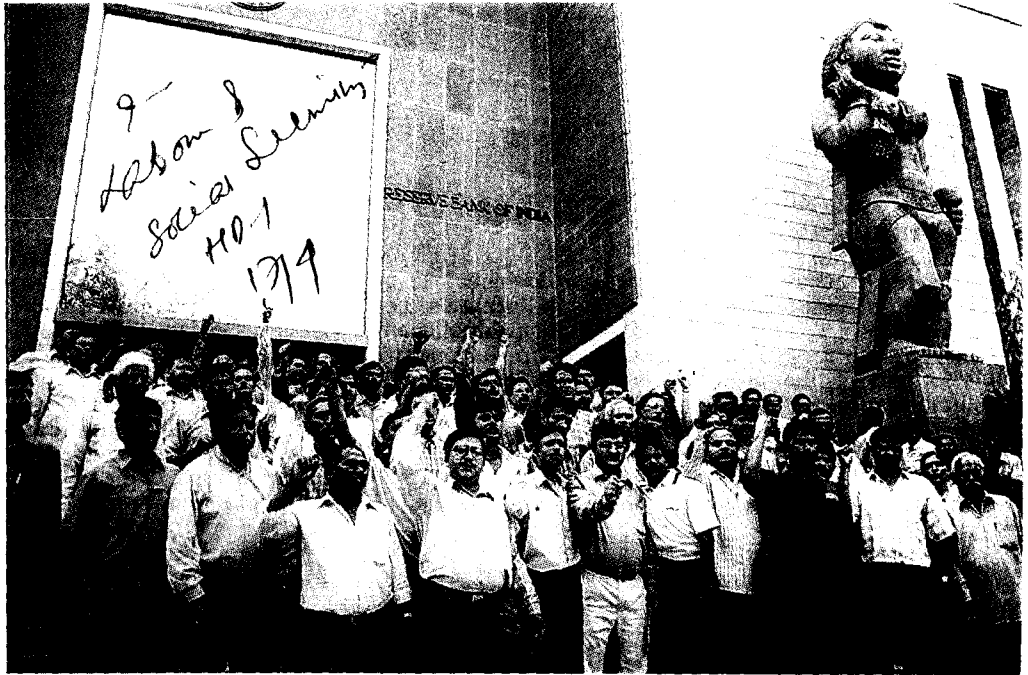
NEW DELHI, APRIL 16. Operations of public enterprises, banks and collieries across the country were affected today when millions of workers struck work to protest against privatisation and the "anti-labour" policies of the NDA Government, with trade unions, including the BJP-affiliated Bharatiya Mazdoor Sangh (BMS), demanding the sacking of the Finance Minister, Yashwant Sinha.

In the eastern region, air services out of Kolkata were affected and train services in the Eastern and South Eastern Railways were hit due to picketing by strike supporters.

The AITUC, the AICCTU, the BMS, the CITU, the HMS, the TUCC, the UTUC (LS) and Federations of Financial Sector Employees, which spearheaded the stir, warned of further intensification of their "struggle" if the Government policies were not changed. The unions said several people had been arrested at various places in the country and claimed that striking employees in Delhi had been lathi-charged by police.

Claiming hundred per cent response to the strike call, leaders of the unions decided to meet in the first week of May to chalk out the next phase of the action programme. They claimed that over 10 million employees had participated in the strike called to protest against the policies of the Government, which they alleged were being carried out at the diktat of the World Bank, the International Monetary Fund and the World Trade Organisation.

"The strike and solidarity action had been staged against the Government's policy of privatisation and changes in labour laws which gave unfettered



Striking bank employees outside the Reserve Bank of India headquarters in New Delhi on Tuesday. — Photo: Sandeep Saxena

right to employers to hire and fire. This aggravated the employment situation, which was being further accentuated by wholesale retrenchment and downsizing by VRS and other means," the union representatives said at a joint press conference here.

Clearing and other operations of all public sector banks and insurance companies were hit by the strike as 10 lakh employees struck work.

The INTUC did not participate in the strike but joined other unions in asking the Government to refrain from taking any policy decisions which might go against the interests of labour and await the report of the Sec-

ond Labour Commission

The AITUC general secretary and CPI leader, Gurudas Das Gupta, and other trade union leaders demanded Mr. Sinha's resignation and also "radical changes in the Government policies in the interest of the nation and the public". The BMS leader, R.K. Bhakt, attacked Mr. Sinha over his anti-labour policies and said, "This is a token reaction the working people of India have shown to the anti-worker proposals of the Government, labour law amendments and those of disinvestment."

In the oil sector, while the managements claimed that operations were normal, the

unions claimed that work had been hampered. "Crude oil production from all fields, both on-shore and offshore, has not been affected," an ONGC official said. All the 17 public sector refineries also functioned normally and there was no shutdown.

The banking sector was completely paralysed with employees of the RBI, cooperative banks and financial institutions going on strike.

Although the major bourses, BSE and NSE, were open, the forex market was paralysed on account of the strike. In Kolkata, where the strike was near total, the stock exchange remained closed. — PTI

Enron's last 'trusted' light pulls the plug

FROM DEBASHIS BHATTACHARYYA

Mumbai, April 15: The man who spoke for Enron has no one to speak for him. Jimmy Mogal, who quit as Enron's spokesman in India two weeks ago, is sad and bitter.

"It was very, very stressful, the last two years," said Mogal, 46, who resigned as the multinational's communications director on March 31. "I want to put it all behind me now."

Mogal was among the last of a handful of "trusted" employees Enron had kept on even after the American company went bankrupt and laid off more than 200 staff engaged in its

controversial Dabhol power project.

Mogal said he quit because he was fed up with nothing to do. "I had hit a blind alley and wanted to turn back and get out." But his former colleagues, still in touch with him, had another story. They said Mogal left after he was deprived of his dues by the company he stuck up for in public.

Mogal was reluctant to talk about the dues or for that matter those of his colleagues. "I would rather not talk about it," he snapped. But the bitterness in his voice was unmistakable.

"It rankles with him very much because he was the man who had defended Enron

through its turbulent days," a former colleague said. "But he is too embarrassed to talk about it."

Mogal admitted that most Enron officials in the country had lost their money in the company's stocks like their US counterparts.

But unlike their American colleagues, Enron officials here had never been "discouraged from" selling off the stocks, Mogal said. "We lost money because we did not react quickly enough. But there was no discouragement on the part of the company."

Born and raised in Calcutta, Mogal, an electronics engineer from Bangalore University,

joined Enron in April 2000 after a five-year stint with Coca-Cola India as its public relations chief.

He learnt the ropes from former Tata Steel managing director Russy Modi, a master at PR, who had moved him from the engineering department to corporate communications.

Mogal was looking forward to a "great challenge" when he joined Enron. And he wasn't disappointed. He faced challenges one after another as Enron fought a ding-dong battle with the state government and activists who accused the company of fleecing the consumer with overpriced electricity.

However, at the end of his

two-year stint with the disgraced, one-time US utility giant, Mogal feels differently: he could have done without some of the challenges.

Defending the indefensible was not easy. The former Enron official said he was under constant stress as the Indian and the Western media "kept asking me all kinds of questions".

Though the Enron project was located in Maharashtra, the issue resonated all over as it was the first major direct foreign investment in the country. This made Mogal's job more difficult.

"I travelled often as I had to keep in touch with the regional media all over the country and give them our side of the story,"

he said. He had a tough time convincing the 25,000 families who had to give up their lands to let Enron lay a natural gas pipeline from Dabhol to Panvel on the outskirts of Mumbai. The project was later abandoned.

Mogal would not say whether Enron's electricity was over-

priced, something he had always defended as spokesman. "It is not proper for me to answer this question."

He saw nothing wrong in Enron's obsession with secrecy and its refusal to part with information. "It's not just Enron, but every MNC is wary of giving

information on its plans and strategy."

The former Enron official said he was saddened by what happened to the company, but hoped it would be "a lesson to all involved. There is not going to be another Enron for many years to come. God forbid."

Safety cushion to labour reforms likely

C L Manoj in New Delhi

Feb. 27. — Mr Yashwant Sinha is expected to announce in his budget tomorrow a special package for social security, specially for workers of the unorganised sector, who constitute more than 96 per cent of the work force.

This package, reportedly firmed up under the Prime Minister's direction, is an attempt to douse protests over the government's proposed labour reform Bills from the Opposition and a section of the Sangh Parivar. It has also been designed as a "peace-formula" to explore the still-eluding political consensus on the Bills, the stumbling block before they get the Parliamentary nod.

Sources said there was a possibility of the finance minister announcing a special insurance scheme for the unorganised workers

against "short spell" unemployment.

A section of the BJP got restive, especially after the poll defeat, about the proposed Bills, which deal with liberalisation of industrial closure norms and retrenchments.

There was also a budget-eve push, led by the Group of Ministers on labour under Mr KC Pant, for some sort of pension schemes for the unorganised sectors. Workers of these sector are unprotected in the sense that they are not eligible for any government labour schemes.

Mr Sinha is also expected to come out with some "fall-back schemes" for those who are likely to lose jobs in the wake of the government's VRS and right-sizing drives.

A scheme to make those rendered jobless due to VRS to share the ESI schemes is on the cards. There may be provisions to make the private sector contribute substantially to

these social security programmes.

As a balm for the anguished working force and government employees, moves such as the doubling of allowances for the *anganwadi workers*, special purpose-vehicles for investment in PSUs and *sarv shiksha abhiyan*, could also be part of the budget package.

Simultaneously, a major thrust would be on the infrastructural/rural development. The package is likely to accommodate accelerated irrigation development programmes, an infrastructure development fund with special focus on free economic zones to make them globally competitive, a fiscal reforms adjustment fund and an urban infrastructure fund, as a part of this development. These measures are expected to get a Rs 39,000 crore allotment, but in return the states will be made to stick to fiscal discipline.

5-10 PM: ✓
29/2

(Continued from page 1)

especially when the government can at best provide minimum financial resources".

Below 8.8 funds
His words puzzled those present because they felt one of the major reasons for many workers not getting the prescribed social network is non-compliance with the laws. Many wondered if the Prime Minister was indirectly hinting at slow government pull-out from the social security area, already known as a turn-off for the private sector.

He also called for the expansion of the ESI umbrella by making it more accountable, decentralised and cost-effective. This should also be done through link-ups between ESI hospitals and other public and private hospitals and more importantly, by making ESI hospitals, when they are not being used by members, provide healthcare to poor non-beneficiaries by charging affordable rates.

The labour minister, Mr Sharad Yadav, who reportedly resisted the Bills in the Cabinet, said: "While the process of labour reforms has been set in motion to minimise regulation of the industry by the government, it's necessary to put in position a social safety net for the workforce so that in times of economic distress, they are not left to fend for themselves. The need for such a system can't be overemphasised".

THE STATESMAN

24 FEB 2002

TUs to protest against labour reforms on 14 March

PM dwells on social security

STF Labour & S. Security
29/2

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 23. — A day after the Cabinet cleared the labour reforms Bills, trade unions called for a national protest day on 14 March. Mr Atal Behari Vajpayee chose to ignore the issue and focus on "social security" while addressing the golden jubilee programme of the Employees' State Insurance Corporation today.

Inaugurating a seminar on social security organised by the labour ministry, the Prime Minister said it was not the responsibility of the government alone but of others too, including the private sector, to expand the social security net to the hitherto uncovered workers of unorganised sector, who form more than 95 per cent of the Indian workforce. Mr Vajpayee seemed to favour less bureaucratic implementation in this sector and want more "flexibility".

The call for the 14 March

protest day came in a joint statement of the Intuc, Aituc, Citu, HMS, Utuc, Utuc-LS, AICCTU and TUCC. The pro-BJP BMS's on-going national meet in Thiruvananthapuram is expected to support the move. The trade unions will meet on 4 March to work out their action plan. The CPI-M and the CPI said the government's decision regarding the labour reforms was a "total sell-out to the World Bank and IMF to please multinationals and captains of industries."

The Central employees' federations have called for a national protest day on 26 February against the proposed VRS and retrenchment schemes.

The Aituc central leadership today wrote to the Kerala chief minister, Mr AK Antony, asking him to either start negotiations with the striking employees or face intensification of their agitation.

At the social security semi-

par, Mr Vajpayee said: "Let us start by emphasising one basic truth. Social security can't mean exclusively state-funded and state-administered security schemes. By its very nature, social security implies a strong and active participation of the non-state institutions in society, beginning with the family itself, but encompassing neighbourhood, organisations, community-based organisations, religious institutions, philanthropic bodies, and of course, business in the private sector."

He further said: "Let us not depend on inspectors to check if every law and procedure has been adhered to or not. Let us rather energise the ability of social institutions to promote voluntary compliance and voluntary regulation with least government interference

■ See PM: page 10
■ Editorial: Disputed Act, page 8

THE STATESMAN

HO-1 'RECONSIDER DECISION ON LABOUR LAWS' 29/2

Sena gives a month's time, threatens to pull out Ministers

By Arunkumar Bhatt

MUMBAI, FEB. 23. The Shiv Sena leader, Bal Thackeray, has warned that Ministers belonging to his party in the Union Cabinet would quit if the National Democratic Alliance Government did not reconsider in a month its decision to change labour laws which would threaten job security to workers of sick units.

Mr. Thackeray told reporters here today that his party would even join hands with the Left parties and would call for a nationwide strike to protest against the move. Last year, the

Sena had enforced a "Maharashtra bandh" to protest against the State Government's "anti-labour" policies, he said.

He said the Government's move would hit the working class hard and prove to be disastrous for it in the present situation of high level of unemployment.

Attack on workers' rights: Left parties

By Our Special Correspondent

NEW DELHI, FEB. 23. The Left parties today strongly condemned the Centre's decision to amend

the Industrial Disputes Act and Labour Laws permitting lay-off, retrenchment and closure of industrial units and saw it as an attack on workers' rights.

Similarly, almost all the central trade unions denounced the decision and resolved to resist the "anti-worker, anti-people" laws through countrywide agitations. In a joint statement, the AITUC, CITU, HMS, INTUC, UTUC, AICCTU, TUCC and the UTUC-LS asked the workers to observe March 14, as "national protest day".

The CPI(M) politburo said that if the proposal got Parlia-

ment approval, it would grant a "blanket right of hire and fire" to industrial establishments employing 85 per cent of the organised workers in the country.

The party said that despite opposition by the entire trade union movement, including those belonging to the ruling parties, the non-chalant attitude taken by the NDA Government to "please the World Bank bosses" would only invite a powerful confrontation with the working class.

The CPI central secretariat described the move as a "draconian attack on the rights of the workers" and charged the Government with having bowed to the pressures of the World Bank, the International Monetary Fund and the industry captains. "It is still more reprehensible that the Government is planning to allow outsourcing and engaging workers on contract" by amending the Contract Labour Act. The rights of the workers for "security of service" was under attack by introducing "flexible" labour laws so that the "sharks are totally unrestrained and can increase their profits".

The trade unions observed that the Indian corporate lobby lost little time in welcoming the Cabinet decision and dubbed as "totally baseless" its claim that the new laws would generate more investment and employment.

'Govt. committed to workers' security'

By P. K. Bharadwaj

NEW DELHI, FEB. 23. Within 24 hours of the Union Cabinet agreeing to changes in "lay-off" rules in the private sector, the Prime Minister, Atal Behari Vajpayee, suggested his Government's commitment to "social security for workers" remains undiluted.

Inaugurating a seminar on "Evolving a national policy on social security" organised by the Employees' State Insurance Corporation (ESIC) to mark its golden jubilee, Mr. Vajpayee made it clear that the Government had limitations and it alone would not be able to do enough.

The real answer lay in activating all non-State providers of social security, besides creating incentives and disincentives for large employers in the unorganised sector.

Mr. Vajpayee said "social security cannot mean exclusively State-funded and State-administered security schemes... It implies a strong and active participation of non-State institutions. The State

can play the role of a regulator and facilitator. For the poorest of the poor, the State can also contribute partly to social security schemes which may be run by public and private companies as well as social organisations".

Dwelling on the plight of the daily wage earners and the unorganised workers, Mr. Vajpayee said that in India long before State provision of social security began, social institutions such as neighbourhood organisations, religious bodies and business houses had been providing succour and emotional support to the distressed. These traditions could help ease the burden on the State as India could not follow the West in the face of urbanisation weakening the joint and extended family bonds.

Earlier, the Union Labour Minister, Sharad Yadav, said his Ministry was considering how to extend social security benefits such as Provident Fund to agriculture workers, construction labour and others in the unorganised sector.

THE HINDU

24 FEB 2002

Cabinet nod for hire & fire labour laws

2372
HT-1
Labour & Social Security

HT Correspondent
New Delhi, February 22

THE CABINET today approved proposals for significant changes in the labour laws, for which Parliament's nod will be sought. If the Government has its way, any company with a staff strength of less than 1,000 will be able to retrench without Government permission, whereas only companies employing less than 100 people now have this freedom.

For starters, the Government will seek parliamentary

approval for a clutch of amendments to the Industrial Disputes Act (IDA)-1947, followed by other reforms including changes in the Contract Labour Act-1970. The changes, if they come through, will affect at least 8 per cent of the huge 40-crore workforce in the organised sector. Trade unions have already opposed the move.

To provide a safety net to retrenched workers, the Government has proposed enhancing separation benefits from 15 days to 45 days for every completed year of service. Besides, the IDA will include stiff punitive provisions for employers who fail to provide compensation in time.

As for contract labour, the Government may facilitate outsourcing of activities without any restrictions apart from ensuring the employer's option to offer contract appointments.

A Group of Ministers is now finalising the details of the new contract labour law, but the Bill may be introduced in the Budget session. FICCI and CII have been pressing for these labour reforms. Assocham president KK Nohira called today's decision "a step in the right direction".

Trade union leaders have threatened a nation-wide strike against the "anti-labour" changes. Hind Mazdoor Sabha secretary RA Mittal said unions may form a joint strategy to oppose the proposed changes. "We may have to bring forward the March 14 strike," he said.

OTHER CABINET DECISIONS

● Amendments to the Medical Termination of Pregnancy Act, 1971, that include refining "lunatic" in conformity with the Mental Health Act, delegation of powers for approving medical of pregnancy to the district authorities and stiff penalties against unregistered clinics and untrained persons performing abortions.

● Changes in the Homeopathy Central Council Act-1973 ensuring Centre's prior approval to open new colleges, increasing/fixing admission capacity or introduction of new study courses.

● Addition of 5 years to the service of Supreme Court judges for superannuation pension.

● Extension in service to scientists upto the age of 64 years.

● One month extension upto 31 March 2002 to the National Commission to Review the Working of the Constitution.

Govt go-ahead for labour reforms

Statesman News Service

NEW DELHI, Feb. 22. — The labour minister hardly had any role left after he received a terse Cabinet secretariat letter yesterday asking him to present the Group of Ministers' report on labour reforms to the Cabinet today. Mr Sharad Yadav's efforts to make his colleagues see some merit in finding a middle path on the minimum number of employees an organisation should have to avoid mandatory clearance from the government for closing it did not yield anything.

The Cabinet today approved the promise the finance minister, Mr Yashwant Sinha, made while presenting last year's Budget. Though it enables employers having a strength of less than 1,000 to close unviable units without seeking mandatory clearance from the government, it contains certain measures which are pro-labour and would not be liked by industry managers.

The Congress said there is no change in the party's public announcement to defeat the Bill in Parliament. The AICC general secretary, Mrs Ambika Soni, said: "We now find the government is keenly pursuing the

policy of hire and fire. Mrs Sonia Gandhi...had openly opposed these Bills and there is no change in our stand during the intervening period."

■ Organisations having less than 1,000 employees can close the unit without seeking government clearance

■ All flash or lightning strikes will be illegal. Employees working in public utility services will have to give 45 days' notice and at other places 30 days' notice.

■ An employer can lay off 2 per cent staff per year linking it with their productivity.

■ In case of retrenchment the employers will have to give compensation of 45 days' salary for each completed year as different from the earlier 15 days.

■ Employers can now be jailed for six months with a fine of Rs 2,000 for violating provisions of IR Act.

She said it was the Congress government that had launched economic reforms, therefore nobody can accuse it of not supporting reforms, but the government should follow a policy of consensus.

Major trade unions have also indicated

that they would agitate against the government move. Some of the trade union leaders are meeting in Delhi tomorrow to chalk out their action plan. The Left parties have been opposing these Bills too.

An official said: "The provision for retrenchment has been sugar coated to lure trade unions and Opposition parties not to oppose it so stiffly. It's like a sell-out for either side for it to sail through Parliament." Besides Mr Yadav, other Cabinet members had reservations and the meeting scheduled for an hour dragged for about two-and-a-half hours.

By approving the amendments, the Centre took care of interests of some state governments. The Andhra Pradesh chief minister, Mr N Chandrababu Naidu, and the Karnataka chief minister, Mr SM Krishna, had been pressuring top functionaries to include one clause which was important for continued or increased presence of MNCs in their states — strikes in special economic zone, export promotion zone and 100 per cent export oriented units be brought under the purview of public utility services and thus employees intending to go on strike would have to give 45 days notice.

Children languishing in hazardous units

By Radha Venkatesan

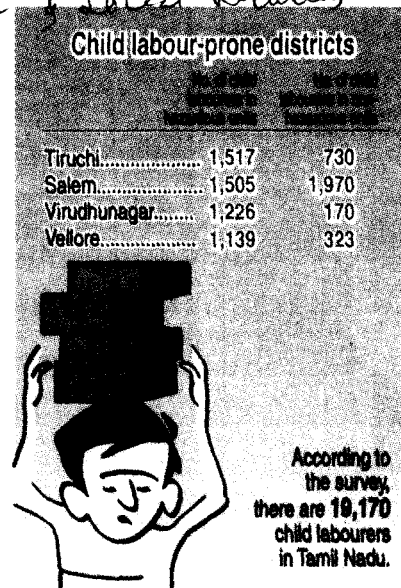
CHENNAI, FEB. 5. Even five years after the Tamil Nadu Government spotted hundreds of child labourers, most of them continue to toil in hazardous industries, while a Rs.4.74-crore fund created for their rehabilitation is lying idle.

Despite a Supreme Court directive and a legislative ban, the Government has rehabilitated only eight child labourers among the 19,170 identified in a Statewide survey. And, only Rs.7.75 lakhs from the Rs.4.74-crore, State-level rehabilitation-cum-welfare fund, set up following the apex court fiat, has been spent so far.

In the five-year wait for rehabilitation, a majority of the children have crossed 14 years and hence will no longer come under the "child labourer" category. Consequently, the criminal action initiated against 8,799 employers too may come to naught, say officials.

The survey conducted following the December 1996 Supreme Court order in the M.C.Mehta Vs. State of Tamil Nadu case has not only ended up as a farce but also spawned home-bound child labour, say the officials.

In the hazardous industries particularly



Graphic by Varghese Kallada

in the match factories in Virudhunagar district and beedi units in Vellore district, children continue to be employed but they work from their homes.

Meanwhile, the survey findings too have become a subject of dispute.

Though the 1991 census found 5.78 lakh child workers in the 5-14 age group and the State Education department states 35.59 lakhs children are out of school, the survey came up with a count of only 8,970 children in hazardous industries and 9,052 non-hazardous units.

A supplemental survey revealed another 1,148 children in the hazardous industries, especially in gem cutting units in Tiruchi and match factories in the southern districts.

Curiously, the survey conducted by hundreds of staff members from various departments — from block development officers to factory inspectors and anganwadi workers — showed only two children in the hazardous units in Chennai and 1,059 in non-hazardous occupations. Not too pleased with the survey results, the Supreme Court has asked the Government whether another survey could be conducted.

But, when the Government is unable to rehabilitate even the 19,000-odd child workers, a spate of surveys will be no answer to their robbed childhood, feel the officials. Instead, the Government should at least rev up the State child labour monitoring cell, which now functions with a pathetic three-member staff and little funds.

According to the survey, there are 19,170 child labourers in Tamil Nadu.

Organising the unorganised

By Supriya RoyChowdhury

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7/2

THE DECLINE of the organised sector in industrial employment has been a recurrent theme in the debate around economic liberalisation in India. Informalisation of labour in fact has been a worldwide phenomenon accompanying the process of globalisation, as manufacturing companies have taken to outsourcing, contract appointments, part-time work, etc. Mobility of capital has given an unprecedented leverage to companies not only to seek low paid, informal wage employees across national boundaries, but the threat of capital flight can itself serve to drive down wages and place large numbers of workers in insecure, irregular employment. Informalisation strategies enable employers to draw on the existing pool of labour as and when they require, without having to make a commitment to provide permanent employment or any of the employee-supporting benefits associated with permanent jobs.

far as the working class is concerned, informalisation is in fact a double-edged sword. For not only is the employee denied the rights associated with permanent employment, but the nature of casual work essentially destroys the foundations of working class organisation. As workers move from one employer to another, numbers are scattered, everyday interests become divergent, and individualised survival takes precedence over group or collective struggles.

Even workers who have been in sectors with a long tradition of unionisation are difficult to organise once they are removed from the arena of permanent employment. About 50,000 textile mill workers in Ahmedabad City were laid off during the late 1980s and early 1990s. The move to obtain compensation and rehabilitation for these workers floundered on the weakness of the struggle, as numbers of workers who were available for pressing their claims and taking to some kind of activism dwindled, the motivation of leaders declined and

the struggle slowly frittered away. If this is the situation with workers familiar with the concept of unionisation, the task of organising vast masses of casual workers who have never been organised is obviously much more difficult. The problem, essentially, is not only that of organising workers for struggle, but given the transitory nature of casual employment, employers are not bound to provide insurance of any kind, and frequently there is no fixed employer

Thus, the unionisation of the hitherto unorganised sector has become inserted into the political universe as a possible and legitimate activity. Second, the formation of the NCL to an extent overturns the pessimistic logic that the interests of the unorganised sector — given their diverse and inchoate form — cannot be articulated from a single platform. For, the NCL aims, precisely, to not only provide an anchoring for these diverse organisations, but more importantly to artic-

programme and issuing an identity card, the initial hurdle of identifying a large mass of scattered workers is overcome, and a step is taken towards institutionalising their legitimate claims from employers and from the state.

The Karnataka Unorganised Workers (Regulation of Employment and Conditions of Work) Bill, 2001, offers a more comprehensive framework for addressing the unorganised sector's needs. It envisages the formation of a Fund and a Board, in each sector. The Board, consisting of members from the Government, employers and employees, would be responsible for administering the Fund. Employers must compulsorily pay towards the Fund a certain fixed percentage of the wages or taxes payable by them, or a certain percentage of the cost of their project, (for example, in construction projects). The concept of the Fund is designed to create the financial viability of social security for workers, and to provide a structure for employers' contribution. Thus workers would be insured for accident and illness, old age, and unemployment. The Board is designed to provide a mechanism to ensure the working of the Fund, and essentially, to institutionalise workers' claims against employers through an empowered agency.

In the broader context of economic liberalisation, recently proposed labour reforms seek to extend the scope of contract employment and to facilitate worker lay-off. As casualisation of labour now seems an irreversible trend, the Bills outlined above would appear to be the only way to insure workers' interests. To this extent, organisations such as the NCL, which have systematically struggled to push for such legislation, are serving an invaluable historical purpose. As the Karnataka Unorganised Workers Bill awaits endorsement during the Assembly sessions being held currently, for the protagonists of the movement this would be a watershed, but, nevertheless, only a moment in a struggle that needs to be waged at multiple points and to evolve to newer heights.

The problem is not only that of organising workers for struggle... frequently, there is no fixed employer against whom claims can be pressed.

against whom workers' claims can be pressed.

In this context, the formation of the National Centre for Labour (NCL) can be seen as a landmark in the history of the working class movement in India. The NCL is an apex body of independent trade unions working in the unorganised sector of labour, registered under the Indian Trade Union Act, 1926. Through its constituent members the NCL represents the interests of workers in construction, agriculture, fisheries, forests, marble and granite manufacturing, self-employed women, contract workers, anganwadi and domestic workers, as also workers in the tiny and small-scale industries. The NCL, launched in 1995, has about 6,25,000 membership spread over 10 States in India.

The NCL reflects two tendencies. First, the formation of such a federation highlights that despite the problems in organising workers in the informal sectors, there have in fact been a range of organisations which have sought to address these issues. On a collective plane, their activities represent a marked departure from the traditional way of conceptualising union activities exclusively around organised or formal sector workers.

ulate the need for institutionalised norms of welfare which can apply to the unorganised sector as a whole.

It is in the context of this generalised movement that one needs to view recent efforts to bring in legislative acts which seek to create a new framework of laws and institutions addressing the needs of the unorganised sector. One of the major problems that has dogged this sector has of course been that of implementation. Thus, for example, while there is a stipulated minimum wage for most industries, this is frequently flouted by employers. A central objective of the NCL has been to advocate legislation to create agencies, which would mediate between the employer and the employee to institutionalise certain guarantees of welfare and security to the employee. Thus, for example, the State Assisted Scheme of Provident Fund for Unorganised Workers, 2000, proposed by the Labour Department of the Government of West Bengal introduces the mechanism of a Fund which will be contributed to by the worker (wage-earner or self-employed person), the employer, and the Government and to which the worker would be entitled at the age of 55 or above. By registering a worker to this

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7 FEB 2002

Reforms inevitable but we'll protect labour interests: PM

By Our Special Correspondent

NEW DELHI, FEB. 4. The Prime Minister, Atal Behari Vajpayee, today said India would not follow globalisation blindly but devise its own standards to meet the country's needs and aspirations. The interests of the workers would be kept in mind while ushering in labour reforms that had become inescapable to give a competitive edge to the Indian industry and service.

He said that changes in the "archaic labour laws" would be made only after consultations with all the stakeholders. The Government would also consider the recommendations of the Second National Labour Commission before deciding on these changes and abide by its responsibilities to protect the interest of workers.

Speaking at a function at Vignyan Bhavan after presenting the Prime Minister's Shram Awards, he sought the support of all sections to labour reforms. There was no escape from labour laws, he said and

called for a debate on the subject with an open mind. A change in the outdated labour laws had become inevitable in the face of globalisation and liberalisation. These reforms were essential to enable industry and the services to acquire a competitive edge in the global market. However, these should not be seen as anti-labour.

Mr. Vajpayee said the Government was not against the public sector units. These units "are pillars" of the economy and the Government policy "is to close only those units that cannot be revived".

"We are in a competitive age and have to create a better place for Indian goods in the world market by way of improved quality and productivity. We would not follow globalisation blindly and devise our own standards that shall meet our needs and aspirations."

Earlier felicitating the award winners, the Labour Minister, Sharad Yadav, emphasised the need for providing a greater thrust and a higher investment in skill development and the

training of workers as a mere five per cent of the labour force in the age group 20-24 years had

vocational skills. In all, 28 workers employed in the Departmental and Public Sector Undertakings of the Central and State Governments were honoured by the Prime Minister with 17 Shram Awards for the year 2000 in recognition of their distinguished performance.

The most prestigious Shram Award of Shram Ratna, carrying a cash prize of Rs. 2 lakhs with a 'sanad', was presented to Raghavan Pillai Parameswaran Nair of the Korba Super Thermal Power Station (NTPC), Korba, Madhya Pradesh. The two Shram Bhushan Awards comprising Rs. 1 lakh and a 'sanad' each were conferred on five workers. While Asis Bhattacharyya of the Rifle Factory Ishapore (W.B.) bagged one, the other award was shared by a four-member team comprising A. Ramesh Babu, N.P. Monappa, K. Shivdas and T. Ramachandra of Bharat Heavy Electrical Ltd., Bangalore.

THE HINDU

LOST CHILDHOOD-II

Need To Include Labour Rights In Trade Issues

labour & social
Security

By DIPAK BASU

574 572

Liptako is a major gold mining area in Niger. Gold ore is obtained in difficult and dangerous conditions, as the method of work is primitive without any source of mechanical or electrical or any other power. Children are fully involved in most of the activities in gold production. Seventeen per cent of the workers are children. They are also involved in related activities like transport, drug selling and prostitution. In the extraction phase, children are used as carriers of ores and waste products to the surface.

The child labourers manually carry sacks that weigh five to 10 kg. In addition to the danger of falling rocks, the children can also fall down mine shafts. They are exposed to risks such as explosions, asphyxiation, dust, dermatoid, flooding and drowning in the mines. They also face very high or very low temperatures, dangerous air and space, bilharxiosis due to polluted water where they wash gold ores and dangerous materials used in mining and processing. The nearest medical facilities are 60 km away.

Exploiting the young

Millions of Russian children, victims of the country's economic breakdown after the fall of the Soviet Union, are in imminent danger of falling out of the school system and facing destitution or criminal exploitation. One of the main reasons is the decline in the Russian education system. Up to five per cent of children under 15 are working more than 20 hours a week; this figure certainly will go up in near future.

More and more children are being used by criminal syndicates, especially for the sale and distribution of illegal drugs. There is also increasing evidence of children becoming the victims of extortion rackets run by slightly older adolescents. A report of the International Confederation of Free Trade Unions discusses "a new sub-culture of society" involving children as young as five years old who live in basements and on the streets of Moscow". Some of these children work in brothels and use drugs, and suffer horrific psychological damage.

In the countryside children work in farms for up to 14 hours a day to be paid in kind. A lot of these children are infected with tuberculosis, while the number of hospital beds for children fell by 20 per cent between 1994 and 1996.

There are child slaves in both South Asia, Middle Eastern countries, sub-Saharan Africa and in Latin America. In

many cases a child is sold into slavery as a result of a labour contract that his or her parents have signed into or in exchange for a sum of money that is often described as an advance on wages. Child slaves are to be found in agriculture, sex industry, carpet and textile industries, quarrying and brick making. It predominates where there are social systems based on exploitation of poverty such as

creates a pool of bonded or slave child labourers who are tied to the owners of the brick making factories for life and unable to escape their "obligation". Workers and their children are traded from one owner to another. Some workers are sold more than 10 times.

No education or medical facilities are available for these children. Escape is not possible due to the close associations bet-



debt bondage. It is also simply a means of survival. Brick kiln workers in Pakistan are a clear example of slave child labour. Bricks are produced in Pakistan in manual and industrial processes.

Children as slaves

Labourers are bonded to the owners through a system of advance payments whose interest rates are so high that workers can never repay them fully. Their children and wives are then forced to take responsibility for the debt. That

between the owners and the local police force. About 60 per cent of the children start work below the age of 13. The mortality rates among children are high and they suffer from blindness due to the presence of high degrees of lead in the mud. Blindness among older workers is around 15 to 20 per cent. Owners insist that the children work unless they have to look after younger siblings. Mental torture for these children is horrific. They live in fear, witness physical violence meted out against their parents.

Slave markets operate openly in Bihar, one of the most backward parts of India. In the Sonepur cattle fair in Bihar state child labourers are sold like cattle. The operators there not only send child labourers to different states such as Punjab, Haryana and Delhi, but also "supply" them to various factories in some industrialised states. The slave market has been operating for over a decade with the children brought to Bihar by contractors from Raxaul, Sitamarhi, Joghani and some other towns close to the Nepal border. In the beginning, some poverty-stricken children were sent here by their parents so that they could earn something. Taking advantage of their helplessness, some contractors engaged in "supplying" labourers to factories, grabbed the opportunity to sell these child labourers. The whereabouts of these sold children are not known. Many Unicef-sponsored non-government organisations have set up their stalls at the fair but have failed to stop child abuse.

Use WTO for change

The arguments of the developing countries that inclusion of labour rights and environmental issues are meant to stop their exports to the developed world should not cut much ice. Developing countries suffer much more when they have liberated imports. The result is growing unemployment in the developing world where industries and agriculture are unable to compete.

Most developing countries, while gladly accepting unequal treaties from the World Trade Organisation, opposed the inclusion of labour rights and environmental issues which are meant to benefit poor workers and children in the developing countries. If the developing countries would face trade sanctions through the World Trade Organisation, they would be forced to implement fundamental human rights of workers and children.

Progressive measures sometimes come out of reactionary set-ups. Legislation implemented after the long campaigns of Lord Wilberforce against the slave trade or of Abraham Lincoln against slavery in the southern United States are some examples. The World Trade Organisation is against the interests of the developing countries, no doubt, but inclusion of labour rights in trade issues, which may help to abolish child labour and slavery, can be a progressive act indeed.

(Concluded)

THE STATESMAN

5 FEB 2002

LOST CHILDHOOD-I

SFA 9/12

WTO's Failure To Check Evils Of Child Labour

Labour & Social Justice

By DIPAK BASU

The victory of the so-called developing countries in the recent World Trade Organisation meeting in Doha in stopping the inclusion of labour standards in trade issues is hollow, as the problem of exploitation of labour in general and child labour and even slavery is getting worse in the developing countries.

In selected areas of India, Ghana, Indonesia and Senegal, according to the recent International Labour Organisation survey, 25 per cent of the children are working. If seasonal labourers are taken into account in Senegal the percentage can reach 40. In Ghana, more than 75 per cent of the working children aged 10-14 were female.

About 73 million children between the ages of 10 and 14 were working in 1995, representing 13.2 per cent of all 10 to 14-year-olds around the world. There are an estimated 250 million child workers between the age of five and 14 in the world, without taking into account those who work with their families in mainly domestic activities.

Largest numbers

The largest numbers of child labourers are in Asia, 44.6 million; followed by Africa, 23.6 million; and Latin America, 5.1 million. Estimates by country showed even the developed European countries are not immune from this. Among the 10 to 14-year-old children the working rate is 41.3 per cent in Kenya, 31.4 per cent in Senegal, 30.1 per cent in Bangladesh, 25.8 per cent in Nigeria, 24 per cent in Turkey, 17.7 per cent in Pakistan, 16.1 per cent in Brazil, 14.4 per cent in India, 11.6 per cent in China, 11.2 per cent in Egypt, 6.7 per cent in Mexico, 4.5 per cent in Argentina, 1.8 per cent in Portugal and 0.4 per cent in Italy.

But this is only the tip of the iceberg. No reliable figures for workers under 10 are available, though their numbers are significant. In central and eastern Europe, the difficulties connected with the transition from a centrally planned to a market economy has led to a substantial increase in child labour. The same is true of the United States, where the growth of the service sector, the rapid increase in the supply of part-time jobs and the search for a more flexible work force have contributed to the expansion of the child labour market.

The largest group of working children

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is that of the unpaid family workers. A high proportion of the children give their wages to their parents or other relatives with whom they live. Rural children work more than urban children with agricultural work being the main type of rural work.

Children's work is considered essential to maintain the economic level of the household, either in the form of work for wages, of help in household enterprises or of household chores that

children have to work to pay for their school. But many schools serving the poor are of such abysmal quality that many children drop out of school in frustration.

Child labourers in hazardous and other industrial work lead lives of degradation and hardship, and are deprived of their rights as children. The majority are involved in farming and are routinely exposed to harsh climate, sharpened tools, heavy loads and increasingly to



free adult household members for economic activity elsewhere.

In India along with many other countries, children work in textile, clothing, carpet, footwear, glass industries, fireworks industries, diamond and other gem stone polishing, salt, limestone and mosaic chip quarrying industries. Many of these occupations involve the children in hazardous work.

Education

Many of these children have no opportunity to go to school. Many of their parents, who suffer from illiteracy and ignorance, do not understand the importance of education. Moreover, the high cost of education is another obstacle for these children.

With the government shying away from the education sector to be replaced by the private sector, as part of the structural adjustment programme initiated by the IMF-World Bank, many

toxic chemicals and motorised equipment.

Because they are not mature mentally, they are seldom aware of the potential risks involved in their specific occupations or at the workplace itself. A very high proportion of the children are physically injured or fall ill while working. Injuries include punctures, broken or complete loss of body parts, burns and skin diseases, eye and hearing impairment, respiratory and gastrointestinal illnesses, fever, headaches from excessive heat in the fields or in factories. Agriculture employs more than two-thirds (70 per cent) of the total working children and, as a result, a high proportion (70 per cent) of the ill or injured children are from that sector. Children are being used in commercial agriculture throughout the world and, as a result, are exposed to a variety of risks.

In tea plantations the usual risks for children are bruises after picking tea for

a long time, frequent fever due to long working hours in humidity, snake bites, subjection to harsh climate and lack of protection for both boys and particularly for girls.

In coffee and tobacco plantations there are similar risks. In Sisal plantations, the main crop in Africa, the risks are snakebites, long working hours, dusty and unhealthy working environments, lack of protective gear, thorn wounds. In sugar cane plantations the typical risks are back pains for bending for a prolonged time, toxic insecticides and fertilisers, choking smell, starvation for a long period due to the nature of work. Exploitation, harassment and torture are routine for children in every agricultural field.

Domestic servants

Girls working as domestic servants away from their homes, sometimes in various Middle Eastern countries, are frequent victims of physical, mental and sexual abuses which can have devastating consequences on their health. ILO reports on child labour (December 1999) detailed conditions of "forced prostitution" to which female children are subjected. "The Aids epidemic is a contributing factor to this trend, as adults see the use of children for sexual purposes as the best means of preventing infection. The full extent of the problem is unknown, but in Thailand an estimated 250,000 to 800,000 underage children are working in the sex-trade. The laissez-faire attitude of the authorities in charge of national and international tourism is also largely responsible for the current situation".

Niger, one of the poorest countries in Africa, provides a typical example of child exploitation. Uranium, gold, phosphates, tin, coal, limestone, salt and gypsum mining are prominent in Niger. In Madaoua, a major gypsum mining town in Niger, 43 per cent of the mining workers are children.

Of these 6.5 per cent are six to nine years of age and 16 per cent are of 10 to 13 years of age. These children are exposed to innumerable safety hazards. During extractions they are at risk of injury from their tools and from exhaustion as they have to cover a huge area in search for gypsum. Other risks are snake and scorpion bites and foot injuries, as most of them are barefoot, from stones and wood splinters.

THE STATESMAN

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IN LABOUR

Waiting for reform

YASHWANT Sinha announced in his last budget speech, that the Industrial Disputes Act will be amended, allowing companies with less than 1,000 employees — the current ceiling is less than 100 employees — to rationalise its work force or close down without government permission. To begin with, this is not enough — why should bigger companies have to run to babus and netas. But given that the proposed amendment was virtually the first major blow for labour market flexibility, and given also that the ceiling of 999 employees cover about 95 per cent of Indian companies, it was an excellent beginning. Or so one thought. Parliament never found the time or the inclination to take up the Bill, in part because of sabotage by the labour ministry. The minister was changed. But since the replacement was Sharad Yadav, the proposal had to be sent to a group of ministers (GoM) which has now endorsed what the finance minister had said. This raises the question why a budget proposal needs to be re-examined by other ministers. The cabinet clears the budget and the Union council of ministers are bound by it. If an individual minister has a problem, and he is not heard or his argument rejected, he should either resign or shut up.

In this case, GoM's logically superfluous but politically necessary parroting of Sinha's original proposal may still not kill dissent. Although, thankfully, the BJP leadership has come out in support of the reform, despite the party's labour wing, the Bharatiya Majdoor Sangh (BMS), opposing it. BMS and other trade unions are predictably against the proposal and hope to find, in Sharad Yadav, an unthinking ally. Yadav's astute political calculations should tell him that he is fighting a cause that will bring more benefit to others — trade union leaders — than to him. If he does decide to obstruct, he can. Particularly since GoM's decision will again have to obtain cabinet approval, and on contract labour, the other reform issue raised by Sinha, not all the technical glitches, appear to have been sorted out. Technical glitches can be wonderfully time consuming. After all that, if the Congress plays pure politics, the bill will not pass. In all this adolescent politicking, the real issue is being forgotten: how is the government balancing employers' hire and fire rights with employees' post-sack protection. GoM's recommendation on increasing severance and wage packets is short-sighted. If workers are to be persuaded that companies cannot be employers for life, they will also need the assurance that a government/business guaranteed safety net exists to catch those who are pushed out by market forces. How to stitch that net is a fit issue for a group of ministers.

THE STATESMAN

Labour & Services Confusion on the labour front *HF 8/11*

SOME SORT of consensus seems to be emerging within the government for bringing about significant changes in India's archaic labour laws. These laws have done more to protect the jobs of the 8 per cent organised labour while leaving the remaining 92 per cent unorganised workforce out in the cold. Faster employment generation cannot be ensured by only increased investment. It also requires flexible labour laws to actually catalyse crucial investment decisions in a quickly changing market environment. The news that the government has finally made up its mind to amend two crucial pieces of labour legislation — Chapter V, B, of the Industrial Disputes Act, and the Payment of Wages Act — is, therefore, welcome.

The official intention to amend the Industrial Disputes Act was first made known by Finance Minister Yashwant Sinha in his last Budget speech. At that time, he had said that the government was in favour of permitting industrial units employing up to 1,000 workers to close down without having to notify it, as against the current limit of 100 workers. He had also said that compensation for such severance will be increased to 45 days wages for each year of completed service against the present 15 days. More crucially,

Mr Sinha emphasised the need to amend the Contract Labour Act to remove the distinction between core and non-core areas of employment which would facilitate firms to outsource their requirements.

Nearly nine months after those words were said and after the numerous sessions the group of ministers has held on this subject, partial consensus has emerged to amend the Industrial Disputes Act. But as expected, the Union labour ministry headed by Sharad Yadav (who in his earlier stint as civil aviation minister had done everything to undo the Air-India disinvestment plan), has now spoken out against any change in the Contract Labour Act. His point is that any decision to give unchecked freedom to employers to follow a hire-and-fire policy will be politically explosive. Mr Yadav will surely find supporters among the Left parties and even the Congress, who have called for a total consensus on labour reforms. However, what has not been addressed by the opponents of these changes is how to create more productive jobs without blunting whatever is left of India's competitive edge in a rapidly globalising world. The question is not that of hire-and-fire, but how to hire people for productive purposes.

Labour fire power for Reforms II

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THE GOVERNMENT has decided to allow companies and establishments employing less than 1,000 workers to lay off employees or close down business without seeking the Government's permission.

For companies located in Special Economic Zones (SEZs) and 100 per cent Export Oriented Units (EOUs), it could be even simpler, with possible hire-and-fire policies. These companies may also be kept out of the purview of the 1,000-staff norm.

These are part of the labour reforms that Finance Minister Yashwant Sinha has in store for Budget 2002-03. To make up, the Centre will enhance the compensation for workers who lose jobs. By amending the Industrial Disputes Act, the Govern-

BITING THE BULLET

- FIRMS WITH less than 1,000 employees can lay off workers or shut down without seeking the Centre's nod
- Firms in EOUs and SEZs may be able to hire and fire
- Social security benefits for employees drawing salary of Rs 6,500 per month and below Budget 2002 to have norms for ensuring payment of agreed wages.

ment will make it mandatory for corporates to pay higher compensation — 45 days' wages for every year of completed service as against the current 15.

This move has been approved by the Group of Ministers headed by Planning Commission Deputy Chairman K C Pant. The

Labour Ministry will move a note before the Cabinet for a formal approval to be incorporated in the Budget proposals as part of the second generation reforms to be outlined by Sinha.

These moves are major deviations in the reforms plan of the Finance Minister, who had announced in the last Budget that permission for retrenchment and closure is mandatory for companies irrespective of the number of employees on their rolls.

All workers drawing a monthly salary of Rs 6,500 per month and less will now be provided protection under the social security net under the Payment of Wages Act. At present, only workers drawing up to Rs 1,600 per month are covered. Norms for protection, apart from ensuring payment of agreed wages, will be spelt out in the Budget by Sinha in the second-genera-

tion reforms package.

The Group of Ministers has bounced contract labour back to the Cabinet. The Cabinet will now have to mull over the issues of enhancing social security for contract workers and the provision for making it compulsory for a firm to seek the Government's permission before employing contract labour. Sinha had announced that there would be no distinction between core and non-core activities while outsourcing any service by a firm.

The Budget may also incorporate pension schemes for agriculture workers as part of pension reforms. Sources said agriculture workers would be insured against short spells of non-employment between two seasons. While some insurance companies are already contemplating such schemes, LIC has launched a pilot project.