

Catholic Bishops' Conference of India

Commission for Labour

Labour Day Message, May 1, 2010

“Secured Worker, Strong Nation” (Surakshit Mazdoor, Majboot Rashtra)

1. The International Workers' Day is observed on May First. It is the celebration of the social and economic achievements of the international labour movement. May Day commonly witnesses organized street demonstrations by hundreds of thousands of workers and their labor unions throughout world. The celebration of Labour Day has its origin in the Eight-hour day movement, which advocated eight hours for work, eight hours for recreation, and eight hours for rest.
2. During the Labour Day last year there was uncertainty and gloom all around due to global economic meltdown and recession. General election was also underway at that time. The elections are over and a new government is now firmly in place. A government which is not dependent on others is likely to take reforms in labour sector further so as to benefit all the labour class. The economy is also now coming out of clutches of recession and is likely to bloom in days to come. With the country now firmly on the path of rapid development opportunities for jobs is likely to increase at a speed never experienced before. We foresee a day when everybody, who has a wish and will to work , would get a decent work of his competence.
3. India is a strong nation and is emerging as a super power in terms of economics and military terms. India is strong mainly because of its huge population, its human resource. But a sizeable proportion of its population is still in poverty. Poverty remains a harsh fact of life for them with no hope of improvement in their standard of living. We have largest population of non school going working children. In spite of laws for compulsory free education and prevention of child labour the situation in the country has not improved to our satisfaction. The flaw lies in the implementation of the laws in its true spirit. Of course, resources are a problem. However, what we need is a change in the mindset of each and every person rather. We need to bring in positive outlook. And people should be trained to earn their livelihood. There is an urgent need to ensure welfare of the workers in this sector so as to make the nation stronger. That is why we have coined the slogan Secured Worker, Strong Nation. It should not be



considered only as a labour right but as a citizenship right, which would empower the working poor as well as provide them social dignity.

4. As we celebrate May day this year let us focus on the Unorganized labour class, who face a lot of difficulties and hardships in their day to day life. India's capitalist economy has a GDP about the size of Belgium's, but with a hundred times the number of people and of course a radically different history. Out of India's huge labour force, over 390 million strong, only 7% are in the organized sector. Even the term 'organized' is seriously misleading because only half of the 7% is unionized and in the vanguard of working-class politics. The union movement, despite the efforts of workers, has been exposed to the exertions of political parties, machinations of the Indian state and onslaught of employers, resulting in it becoming fragmented and failing to represent consistently the interests of organized labour.



5. Organized sector labour' means workers on regular wages or salaries, in registered firms and with access to the state social security system and its framework of labour law. The rest—93% of the labour force—works in what is known as the 'unorganized' or 'informal' economy. Unorganized firms are supposed to be small. In fact they may have substantial work-force, occasionally numbering hundreds, but the workers are put deliberately on casual contracts. There is actually no neat boundary between the two categories of labour. Some sectors, notably mining and dock labour, straddle the divide. In practically every 'organized' firm, including state run corporations, unorganized labour is selectively incorporated into the labour process.

6. The divisions between organized and unorganized workers depend on sectors of the work. As per central statistical organization, all those enterprises, which are either registered or come under the purview of any of the acts or maintain annual account and balance sheet are considered as organized sectors. All other taken together are termed as unorganized sectors. The term 'Informal' sector workers had also used for unorganized sector workers, which was popularized in 1970's by ILO. However 1990 ILO said “ even after two decades of investigation by scholars and international civil servants, there is still no generally accepted definition of the term 'Informal sector ' - we know for certain that it exists”



7. The characteristics of the unorganized workers are low wages, low employment security due to contract and casual, poor working and living conditions, no collective bargaining power and lack of enforcement of law.
8. In Indian perceive, the historical background of division between unorganized and organized was generated due to the Factory Act of 1881 the under British rule, the formation of ILO in 1919 ,The factory Act 1948 ,State Shop and Establishment Acts and Trade Union Act 1926 . As per the recommendations of the first labour Commission named Royal Commission, which functioned during the period 1966 to 1969, around 100-200 central and State labour laws were enacted in India. However these laws were meant for organized sector.
9. The concept of unorganized sector is popularly known in India recently. The reason for this is the recommendation of the second labour commission (1999 to 2001). The

commission had recommended the amendment of existing labour laws and a set up for unorganized workers.

10. As an outcome of the recommendations the UPA government constituted a National Commission for Enterprise in the Unorganized Sector (NCEUS) to ensure the welfare and well-being of all workers particularly those in the unorganized sector who constitute 93 percent of workforce. Up to 2009 Commission has brought out five reports such as: (a.) Social Security for unorganized workers, 2006, (b.) National Policy on Urban Street Vendors, 2006 (c.) Comprehensive legislation for Minimum Conditions of the Workers and Social Security for the unorganized Workers, (d.) Condition of Workers and Promotion of the livelihood in the unorganized sector, (e.) Financing of enterprises in the unorganized Sector and Creation of a national Fund for the Unorganized Sector.



11. According to NCEUS “The unorganized workers are those who are not legally protected in terms of work or don't have direct relationship between employer and employee or who are undocumented workers or who have low unionization and in India those who have salary below 6500 per month, e.g. Agricultural workers, Artisans, Daily wage earners both rural and urban, self employed workers, small scale workers, micro trade and service in urban area etc...
12. On May 16, 2009 unorganized Sector Workers Act 2008 came into existence. The Act gives the provision to have social security schemes for unorganized workers under state and central government. The act is to be implemented through welfare boards under central and state governments and workers facilitation center set up with help of labour movements or Trade unions.
13. In India, according to conventional understanding, if the worker's voice is to be heard or get it transformed into government's agenda, workers organization should be registered as trade union. Only the trade union can represent in labour conferences, boards and International Labour Organizations. Recently formed central unorganized workers' board constitutes only trade unions leaders as representative of workers
14. Surprisingly in India the 11 national level trade unions targets mainly 7% workers of the organized group. Rests 93 % of workers are left uncared. They are unorganized workers. Most of the 11 national trade unions are also being controlled by political parties.
15. According to 1999 Labour Year book there are 64,817 trade unions in India, which are central, state and local. The members of trade unions all together are only 64,07,000. Only 8152 trade unions regularly submit their returns.
16. It is evident that in India the voice of the unorganized workers is not heard in labour scenario. Large majority of work force is kept out of the process of labour policy making, legislations and welfare programs for labour class. There is a huge disparity between the rich and poor labour class.
17. The main issues of the unorganized sector workers are: (1.) Lack of Labour law enforcement, (2.) Lack of Social Security. Today even when strong recommendation





of NCEUS for Social Security Fund for Unorganized Sector Workers and ILO direction to spend at least 4% of GDP for social security exists, the recent budget gives provides only Rs. 1000 crore to set up a 'National Social Security Fund'. The existing labour laws and welfare programs are menial and the projects or schemes are not rightly oriented. Most of such projects are framed and implemented to fulfill the vested interests of the ruling party or government and lack follow up programs or proper implementation mechanism and the resources spent go waste. We need a comprehensive social security scheme for working class of the country. In India only 1% of GDP is spend for the welfare of the unorganized workers, while they contribute 62% of the GDP. It is a clear indicator of the neglect towards this sector.

18. Today we need to have a new approach for the formation of National labour policy. It should be made by taking into account the interests of whole working class of the nation, who are the pillars of a strong nation, though they work at grass root level.
19. It is opportune time for the Trade Unions to change their attitude in organizing working class. They should encourage the labour movements which hold a balanced view on both protection of rights and welfare measures of all workers including those in unorganized sectors. This attitude will help to create a new work culture and uphold the dignity of all sections of working class. Catholic Bishops' Conference of India – CBCI Commission for Labour encourages such initiatives in many ways. The Workers India Federation (WIF) and its affiliated movements aim to be a role model in this regard.
20. We also plan to expand the Church's existing services for the unorganized labour class by joining hands with the government of India in the setting up of Workers Facilitation Centers across the country. This will strengthen the process of organizing the unorganized working class and will be a great example for the inclusive development approach for nation building.



We wish the very best for the workers of our country and extend warm greetings of the Labour Day 2010. We urge the leaders of the country and the privileged sections of the society to stand up for the 'rightful rights' of our brethren in the unorganized sector. Let us all work together to strengthen our nation by ensuring social justice and security for the much exploited unorganized labour class.

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Date: 05/4/2010
New Delhi



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