

# Workers connect...

## Where have all the jobs gone?

*I feel sorry for the youthman today  
 The system is bad for the youthman today  
 Every day and every night they suffer  
 The youthman want to sleep but no place  
 The youthman want to eat but no food  
 The youthman want good dress but no good dress  
 The youthman want to buy but no money  
 The youthman want to work  
 If no work, how do you expect him to eat?*

*A 2008 song by a Sierra Leone hip hop artist  
 Lansana Sheriff*

For the last two months, newspapers have been flooded with stories of government data on jobs being suppressed by the government itself. It all began with two members of the country's National Statistical Commission, PC Mohanan and JV Meenakshi, resigning amid 'disagreements' with the government over the delay in the release of the latest Periodic Labour Force Survey (PLFS) of the National Sample Survey Office (NSSO).

On 31 January, this report was leaked to a newspaper. It revealed that unemployment rate was at 6.5% - a rate not reached in 45 years! The data was even starker for the youth: unemployment rate among rural men in the 15-29 age group shot to 17.4% in 2017-18 from 5% in 2011-12. For women in the same category, unemployment stood at 13.6% in 2017-18 compared

to 4.8% in 2011-12. The unemployment rate for the urban youth was even higher, 18.7% for men and 27.2% for women.

Government tried to deny and discredit the report while producing other data to prove creation of jobs.

### What is this PLFS?

The Periodic Labour Force Survey (PLFS) is prepared by the National Sample Survey Office (NSSO). It captures indicators on employment and covers categories including state, sex, socio-economic background, types of work, etc. It is a household survey and hence captures workers from all types of workplaces unlike other employment surveys that focus on enterprises and thus cover only formal and regulated workplaces. This survey report is for the period July 2017 to June 2018.

### Why was this Report not released?

This Report by a government agency showed that the country is suffering a severe job crisis. This did not fit the story that the government wanted to put out. In fact in a press conference the NITI Aayog CEO, Amitabh Kant, claimed that India was creating adequate jobs for new entrants, but "probably we are not creating high quality jobs". The NITI Aayog applied the "principle of authority" and stopped the release of this report. The reason cited for this intervention is that the PLFS is unscientific in design and not comparable

### The Data Conundrum



**7-11 million jobs created in 2017-18**  
 Employees' Provident Fund Organisation (EPFO)

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**11 million jobs lost in 2017-18 - Centre for Monitoring Indian Economy (CMIE)**

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**3.5 million jobs lost in manufacturing sector since 2016 - All India Manufacturers' Organisation 2017-18**

		Unemployment Rate	
<b>National Sample Survey Office (NSSO)</b>	2011-12		2.2%
	2017-18		6.1%

with either the Employment Unemployment Surveys (EUS) of the NSSO conducted till 2011-12 or the EUS of the Labour Bureau conducted till 2015.

In reality, the PLFS was approved by the National Statistical Commission (NSC), as is the requirement for any NSSO report before its release. There has also been no change in the methodology between the earlier rounds of EUS and the PLFS.

The argument that unemployment could not have increased between 2011-12 and 2017-18 since people living in extreme poverty declined during this period is factually incorrect. Several reports have claimed that the number of people living in extreme poverty has declined in this period. The poverty reports are, however, not based on actual survey data, unlike the employment reports but on indicative projections. There has also been no survey based estimate of poverty since the census of 2011.

The government in contrast says that provident fund (PF) data shows that jobs are being created. Why is this being questioned? PF data is however not a good estimate of job creation. PF applies to establishments with 20 or more employees. When a business employing 19 employees hires one more worker the total number employed becomes 20 hence it then comes under PF. The business has only created one new job but 20 workers have come under PF. Also when contract workers are rotated every 90 days or 120 days from one establishment to another they may end up with a new PF account each time. This does not mean a new job has been created. Finally, the PF data provides numbers of new registrations. PF does not provide regularly updated data on how many existing accounts are inactive. As a result we do not get information on how many jobs with PF accounts are being lost each year. Hence we cannot rely on PF data as a measure of job creation.

Government says jobs are being created by new businesses being set up through loans given out under the Mudra Scheme. There is no data however for data of jobs being created under Mudra. What we do know is that 82 per cent of loans under Mudra are of a maximum

of Rs. 50,000. Therefore the question really is how many jobs can be created with Rs. 50,000 if any at all.

Also the government says that there are jobs in the informal sector: as pakoda sellers, tea sellers, rickshaw drivers etc. These 'jobs' may indeed be created but nobody undertakes these tasks through their free will. If a tea seller makes Rs 200 after working for 12 hours a day she does not earn the minimum wage and does not have enough money to save for her old age or pay for her family's healthcare needs. This "self-employment" is not out of choice but forced by economic reality of not being able to find a job. In employment data this work is not classified as "employment" but "under-employment".

The issue about jobs data is not the end of the discussion. What the data does tell us is that in the last several years almost no jobs have been created and whatever jobs that have been created are low wage, unprotected and unregulated jobs.

The question we must ask is how did we get here? What is at the root of this crisis?

### ***The Story of Jobs***

The jobs crisis is over two decades old now. The structural changes in the economy brought forth in the 1990s changed how many jobs are created and what kinds of jobs are created.

India's growth trajectory of the past two decades has been on the back of bad jobs. There has been no consistent focus on employment creation as a key constituent of economic policy. Policymakers have looked at every sector in isolation. When it comes to agriculture, the focus of policymakers is not on the extremely large number of agricultural workers and other rural workers dependent on agriculture. This has resulted in a huge surplus labour force for which there are no jobs. This army of surplus workers depresses wages both in rural and urban areas, as rural workers migrate to urban areas in search of jobs. In manufacturing and services, government has provided sops to businesses and companies for capital intensive investment. This framework put in place in the 1990s has with successive governments resulted in more contractualisation as government has

allowed the implementation of labour law to be weakened. As a result companies and businesses are allowed to employ low paid and unprotected workers.

Between 1993-94 and 2011-12: the highest growth in job creation has been in the non-manufacturing casual labour category mainly in the construction industry. These jobs are entirely unregulated and unprotected. The second highest job creator is services: mostly in low end trade, transport and communications jobs. These jobs are divided between self-employment and wage employment. Jobs grew, but they were mostly low paid and unprotected.

2008 brought in the global financial crisis. Though India was not immediately affected by it, in the course of years that followed the job crisis deepened because of this impact.

### ***The Crisis today***

The government, in 2014, promised 2 crore jobs every year.

It said that if all labour laws were “rationalised” into 4 codes it would help create jobs since it would help “ease of doing business”. While these changes are still underway at the central level many of these changes have been brought about in states including Jharkhand, Madhya Pradesh, Maharashtra, etc. At the center the government was able to change the rules to introduce fixed term employment. This took away the right of workers to seek regularization as under the Contract Labour Act. Further, the government introduced self-certification by employers which further weakened the implementation of labour laws.

Despite all these efforts of freeing businesses from regulatory requirements very few new jobs were created. The PLFS data clearly shows this. Hence there was no change in the structure of employment despite all the efforts of deregulation of labour laws.

In addition, government policies also resulted in job losses. According to the Centre for Monitoring Indian Economy-CMIE the move to demonetize currency notes of Rs.500 and Rs.1000 in November, 2016 resulted in the loss of 15 lakh jobs.

In 2017 the introduction of the Goods and Services Tax also put pressure on micro, small and even medium enterprises, leading to loss of 18 lakh jobs.

### ***What now?***

There is no escaping that there is a jobs crisis. It is also clear that long term government policy has contributed to this crisis and short term policy has aggravated it. Hence government must change its policies and if it doesn't then it's the task of workers and their trade unions to make the government do it.

Government has to relook at the minimum wage, at financial provisioning for the NREGA and other forms of social protection, at the efforts of deregulation of labour law and how counterproductive it has been and at developing manufacturing industry through self-reliance. These will all contribute to job creation.

The jobs crisis has led to unsustainable and undeliverable political demands of job reservation coming from all communities. We are also witnessing the growing crisis in rural areas. There is today restlessness among young people. This social and political turmoil can only be addressed if there are quality jobs for all.

## ***Policy News***

### ***Odisha: Government hikes pension and other monetary benefits for building and other construction workers***

***8 March 2019:*** Government revised the pension for senior construction workers under the Odisha Building and Other Construction Workers' Welfare Act. Pension for workers above 60 years of age but less than 80 years has been hiked from the existing ₹300 to ₹500 per month and that of workers above 80 years of age from ₹500 to ₹700 per month.

The enhanced pension will come into effect retrospectively from February, 2019.

The compensation in case of accident or death and aid for marrying up to two daughters has also been revised. Construction workers are now entitled to ₹2 lakh in case of accident and ₹4 lakh in case of accidental death. Earlier, the compensation for accident and accidental

death stood at ₹1Lakh and ₹2Lakh respectively. Financial aid for marriage of up to 2 daughters has been doubled from existing ₹25,000 to ₹50,000.

### **Maharashtra: Government launches meal scheme for construction workers**

**7 March 2019:** The Maharashtra government has launched Atal Aahar Yojana, a scheme to provide healthy and nutritious meals to construction workers at their worksite for just ₹5 per meal.

The scheme will cover 10,000 workers in the pilot phase and subsequently be expanded to the over 10 Lakh construction workers registered with the Maharashtra State Building and Other Construction Workers' Welfare Board.

## **Legal News**

### **Supreme Court overturns Uttarakhand HC judgement on regularisation of construction workers**

**19 March 2019:** The Supreme Court of India has overturned an order of the Uttarakhand High Court which devised a scheme for regularisation of construction workers employed by the Border Roads Organisation and its allied organisation the General Reserve Engineering Forces.

A division bench of the Uttarakhand High Court had cancelled Centre's appeal in December 2016 and imposed a fine of ₹50,000 for depriving contract workers of pay and perks at par with their Group D counterparts. It had further directed the Centre to devise a scheme for regularisation of workers within three months.

The Supreme Court has overturned the order stating that the power to frame a scheme lies only with the legislature. The judiciary can only advise the legislature to form a scheme, not frame the scheme itself.

### **Supreme Court cancels anganwadi contracts of large-scale private food suppliers**

**11 March 2019:** The Apex Court rapped the Women and Child Development department of Maharashtra for issuing tenders with "arbitrarily fixed" terms and conditions for production and

supply of take-home rations under the Centre's Integrated Child Development Scheme. The terms and conditions made it impossible for small-scale mahila bachatgats or women's self-help groups to participate in the Scheme.

The Supreme Court has cancelled contracts worth ₹6300 crores awarded to three large-scale private suppliers and ordered the Maharashtra government to stop the supply of ICDS rations under the current system, issue fresh tenders within four weeks, and design an alternate system of ration-supply for the interim period.

**Supreme Court orders inclusion of all allowances for calculation of Provident Fund Contribution**

**6 March 2019:** The Supreme Court in its recent judgement has reiterated that all allowances which are paid universally and are not earned by the worker with respect to overtime or increased productivity should be included in calculating Provident Fund contributions.

Currently, only Basic Wage and Dearness allowance are considered calculating PF contribution. The Judgement orders inclusion of all other allowances such as special allowances, conveyance allowance, medical allowance, etc.

## **Collective Bargaining**

### **Tamil Nadu: Hyundai workers sign three year wage agreement**

**25 March 2019:** United Union of Hyundai Employees has signed a three year wage settlement with the Hyundai management. The settlement will lead to a wage hike of ₹25,200 per month spread over three years.

The monthly wage hike will be rolled out as ₹13,860 for the first year, ₹6,300 for the second year and ₹5,040 for the third year.

The settlement will be implemented with retrospective effect from April 2018 and will remain effective until March 2021.

### **Kerala: PepsiCo declares lockout, disrupts wage negotiation**

**20 March 2019:** PepsiCo. bottling plant in Palakkad, Kerala declared lockout without any notice while negotiations regarding wage hike

remain pending at the Labour Commissioner's office between management and contract workers. The Palakkad plant has over 240 contract workers. Earlier, management had walked out of negotiation scheduled on 15 March 2019.

### **Gujarat: Statue of Unity workers strike work, win wage hike**

**11 March 2019:** Workers employed in the housekeeping department at the Statue of Unity at Gujarat went on a two day strike against irregular payment of wages. Updater Services Limited (UDS), the company contracted for housekeeping work negotiated with striking workers and agreed to a wage hike of ₹700 per month and promised regular payment of wages. Hiked wage will be applicable 1 April 2019 onward and workers will receive ₹8,200 per month after PF and other deductions.

### **Workers march to Parliament demanding ₹25,000 minimum wage**

**04 March 2019:** Over 5000 workers from 20 states across India marched from Ramlila Maidan to Parliament on 3 March 2019 under the banner of Majdoor Adhikar Sangharsh Abhiyaan, a joint platform of 17 trade unions.

Workers presented a 17 point charter of demands to the government which included demand for:

- A minimum wage of ₹25,000 per month for all workers
- Ensure the Right to Freedom of Association
- Abolition of contract work and fixed term employment
- Free education and health care for all.
- Unemployment Allowance of ₹15,000 per month
- Pension for all

### **West Bengal: Teachers strike work demanding raise in wages**

**04 March 2019:** Over 10,000 teachers employed at Shishu Shiksha Kendra (SSK) and Madhyamik Shiksha Kendra (MSK) from across West Bengal went on strike since 1 March 2019 in Kolkata, West Bengal demanding revision of their wages.

Wages for teachers at SSK and MSK stand at ₹ 5,954 and ₹8,854 per month respectively, which were last revised in seven years ago in 2012. Workers are planning to go on indefinite hunger strike if the government refuses to negotiate with them.

## **Health and Safety Watch**

### **Cabinet approves MoU between India and Germany on Occupational Safety and Health**

**12 March 2019:** Cabinet has approved the Memorandum of Understanding (MoU) between India and Germany on Cooperation in the field of Occupational Safety and Health (OSH). The MoU which was renewed on 13th November 2018 will facilitate sharing of knowhow of modern training techniques and tools on various aspects of Occupational Safety and Health in different sectors of economic activities.

The cooperation with German Social Accident Insurance (DGUV) through the International Social Security Association (ISSA) is aimed at capacity building for Directorate General Factory Advice Service and Labour Institutes (DGFASLI), the technical arm and attached office of Ministry of Labour, India & the Chief Inspector of Factories Officers (CIFs) in the field of OSH.

## **Workplace safety**

### **Construction**

On 23 March, 19 workers died after an under-construction building collapsed in Dharwad, Karnataka. The police have arrested the owners; Ravi Basavaraj Sabarad, Basavaraj D Nigadi, Gangappa S Shintri, Mahabaleshwar Puradagudi and the architect Vivek Pawar under section 304 (culpable homicide not amounting to murder), 337 (causing hurt by act endangering life or personal safety of others) and 338 (causing grievous hurt by act endangering life) of the IPC.

On 7 March 2 workers Ajay Kumar (25) and Aman (24) died in a landslide while working on the Rishikesh-Chamba-Gangotri national highway in Uttarakhand. The workers were manning an earthmover on the Char Dham all-weather road project when they got trapped in silt and

boulders brought down by the landslide.

### **Manufacturing**

On 26 March 7 workers Suresh, Babu, Singaravelu, Mohan, Arivu, Veerayyan and Sheik Abdulla died while on duty due to an explosion in a fire-cracker manufacturing unit in Mannargudi, Thiruvavur, Tamil Nadu.

On 16 March Mohan Lal (22) died and 2 other workers Deepak and M S Kherkar sustained grievous injuries following a major fire at the refinery of Indian Oil Corporation Ltd (IOCL) at Panipat, Haryana. The contract workers got trapped in the vacuum distillation unit when the fire broke out after a leakage in one of the units that was being tested.

On 14 March 2 workers; Sanjay Mahendra Singh (25) and Shahjad Alam Ansari (27) died and 4 others sustained serious burn injuries after massive fire broke out at Rig Akash 4 – an oil well of ONGC at Nandej, Ahmedabad. The fire broke out due to gas leak while repair work was underway.

### **Sanitation**

On 2 March a sanitation worker Manu V (25) asphyxiated to death while cleaning a sewage pit in Jai Hind International School in Begur, Bengaluru. The worker was forced to enter into a 2 feet wide and 5 feet deep manhole alone without any protective gear and with no one overseeing the work. Police has arrested the owner Raghavan, principal of the school Saroja and one coordinator Kishore Kumar under Section 304A (death due to negligence) of the IPC and under sections of the Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013.

On 23 March 2 workers Rakesh (45) and Ajay (19) choked to death while 2 others Pankaj (19) and Raju (33) were injured while cleaning a sewage treatment plant at the restaurant 'Pirates of Grill' in Rajouri Garden, New Delhi. The workers were employed in the housekeeping department and were not provided any safety gear for work. The police have arrested the area manager Pankaj Kumar and unit manager Aftab under section 304 (culpable homicide not amounting to murder) of the IPC and sections of the Scheduled Caste and the Scheduled Tribes (Prevention of Atrocities) Act, 1989.

On 16 March sanitation worker Rakesh Nizab (45) died and 4 others Balasaheb (47), Umesh Pawar (42), Suresh Pawar (47) and Shantaram Bhakte (47) sustained serious injuries after inhaling poisonous gases inside a water pipeline chamber in Nana Chowk, Mumbai, Maharashtra. Workers from the water maintenance department of the Brihanmumbai Municipal Corporation (BMC) entered the 12 foot deep manhole to repair a water leakage without any protective gears.

### **Others**

On 3 March 4 mine workers Jiten Tanti (40), Krishna Gogoi (32), Tutu Deka (28) and Shushan Phukon (37) died following inhalation of toxic gases inside an abandoned mine in Yonglok village of Longleng district, Nagaland. The workers had returned to the abandoned mine to collect their belongings after a ban was imposed on illegal coal mine when they got trapped inside the mine due to mudslides.

Sanjay Ganeshkar (45) died after being stuck in a stone crusher at Gundale in Palghar, Maharashtra. The worker was cleaning the stone crusher, when the machine was switched on leading to the worker falling into the conveyor. The owner of the machine James Colaco has been booked by the police under IPC section 304 A (causing death by negligence).

B Rudra Dora (27) died after drowning in a water chamber while repairing a pipeline at VSS Nagar, Bhubaneswar, Odisha on 6 March. The Public Health division released water in the 5 feet high water chamber while maintenance work was still being carried out by the worker.

On 10 March a Tamil Nadu State Transport Corporation (TNSTC) worker M Ganapathi (56) died after falling from the roof of a bus in Ukkadam bus depot, Coimbatore, Tamil Nadu. The worker along with 2 other workers was loading tyres atop the bus, when rope snapped leading to the fall. Workers were not provided any safety gear.

### ***In and Around***

***Wages under Mahatma Gandhi National Rural Guarantee Act get lowest annual hike***

***29 March 2019:*** Ministry of Rural Development has notified state-wise wages for unskilled

work under the Mahatma Gandhi National Rural Employment Guarantee Act for the year 2019-20. The notification will be effective from 1 April 2019.

The notified wages translate to a 2.16 per cent average annual hike — lowest since the promulgation of the Act in 2005.

Workers in Goa, Karnataka, Kerala, West Bengal, Andaman & Nicobar and Lakshdweep will see no annual increase in their daily wages this financial year, while workers in another 15 states will get a daily wage hike of between ₹1 and ₹5. Daily wages will increase by ₹1 in Himachal Pradesh and Punjab and ₹2 in Madhya Pradesh, Chhattisgarh and Jharkhand. With the new notification in place, wages for MNREGA work has gone below the Agricultural Minimum Wage in 33 States and Union Territories.

Average wage hikes have been going down over the last few years. For 2018-19, it was 2.9 per cent and in the two preceding years it was 2.7 per cent and 5.7 per cent increase respectively.

The low wage hike has come at a time when demand for work under the Act is at its peak due to aggravating distress in agricultural sector resulting in lack of farm jobs in rural areas. The number of person-days registered under MNREGA as on 28 March has reached 257 crore person-days as against 233 crore last year, highest since 2010-11.

### **Industrial Security forces fire at people demanding jobs and compensation**

18 March 2019: Over 500 contract workers and displaced people from Rangopali, Potagada, Bundel, Bandhuguda and other villages in Lanjigarh protested at the gates of Vedanta Alumina Limited's Lanjigarh refinery in Odisha demanding regularisation of jobs, the promised employment for displaced persons, health care facilities, education for their children and compensation for their land acquired. The Odisha Industrial Security Forces, an armed force created by the state police to protect industrial establishments including private establishments opened fire on the peaceful protestors killing 1 and injuring over 30 people. The district administration imposed Section 144 in Lanjigarh and surrounding areas to stifle protests.

### **Wages in Europe have stagnated finds study**

25 March 2019: A new study by the European Trade Union Institute (ETUI) titled The crisis is not over yet has found that average wages in UK, Italy, Spain, Greece, Portugal, Hungary, Croatia and Cyprus were lower in 2018 than in 2009.

The report also shows that real wages have stood still – with no increase – in Belgium and Finland – over the same period.

The figures show that average wages, adjusted for inflation, went down between 2009 and 2019 by

- 23% in Greece
- 11% in Croatia
- 7% in Cyprus
- 4% in Portugal
- 3% in Spain
- 2% in Italy
- 1% in Hungary
- 1% in UK
- No change in Belgium and Finland

### **Morocco: Teachers go on strike demanding regularisation and social security**

24 March 2019: Over 15,000 contract teachers went on strike demanding regularisation of services and full benefits on par with their permanent counterparts. Contract teachers are entitled to the same wages as permanent teachers in Morocco but do not receive benefits like health insurance and pension.

### **South Africa: Workers strike against precarious work at six ArcelorMittal plants**

20 March 2019: Over 3000 members of the National Union of Metalworkers of South Africa have gone on strike at the six ArcelorMittal plants across the country against contract work and low wages.

Workers have been demanding implementation of the 2018 Supreme Court ruling which orders the companies to regularise the service of workers who have been in continuous

employment for more than three months.

ArcelorMittal, the largest steel producer in South Africa thrives on the labour of contract workers. Contract workers are paid 50% less wages than their permanent counterparts and in most places forced to work on minimum wages and under a constant fear of job loss.

### ***Nigeria: Government passes bill hiking minimum wages to N30,000***

***19 March 2019:*** The Nigerian senate has passed a bill hiking the minimum wages from existing N18,000 to N30,000 which has been a long standing demand of workers and unions.

However, the government has also proposed a revision in Value Added Tax from 5% to 50% in order to be able to pay the raised minimum wages. The 45% hike in VAT will lead to an increase in the prices of all essential commodities and dilute the hike impact on the real wages of workers who are forced to manage on meagre income.

### ***Ireland: Act banning Zero Hour Contracts promulgated***

***06 March 2019:*** New Employment Protection Legislation promulgated by Irish parliament came into effect on 3 March 2019 which bans zero hour contracts in all forms of employment. According to the new act

Zero-hour contracts are now banned, in almost all circumstances.

Workers have the right to compensation from their employer if they turn up for a shift but are sent home without work.

Workers are entitled to guaranteed hours of work that reflect their normal working week.

## ***Corporate Watch***

### ***Google fined \$1.69 Billion for stifling competition in the online advertising space***

***20 March 2019:*** Alphabet LLP., the company which owns search engine Google was fined \$1.69 billion by the European Union for stifling competition in online advertisements.

The European Commission found that Google had placed exclusivity contracts on website owners, stopping them from including search

results from Google's rival services like Bing and DuckDuckGo. Google had changed clauses in its contracts in 2009 to include premium payments and asked websites using its advertising service, AdSense to seek permission before publishing and changed the manner in which search results from rival ads could be displayed.



This is the third case since 2017 in which Google has been fined by the EU. In June 2017, it was fined €2.4bn for pushing its Google Shopping service on search engine users in a way that harmed the wider price comparison market.

A year later, it was fined €4.3bn for illegally tying its Android operating system to a raft of other requirements, preventing handset manufacturers from shipping phones without pre-installing Google's search and browser apps.

However, Google has not paid the fine amount in any of the three cases. Litigation contesting these anti-trust fines are being expected. The company has also started offering European Android users a choice over what browser and search engine they wish to use.

Given the lack of legislation on regulating online businesses and the internet space the fines have proved ineffective in countering the monopolistic practices of internet giants like Google, Facebook and Microsoft.