

Kerala's New Labour Policy Paves the Way for Inclusive Development



Image Source: <http://www.india.com/news/india/may-day-2016-how-labour-exploitation-is-escalating-in-modis-neo-liberal-india-1148481/>

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Kerala's New Labour Policy Paves the Way for Inclusive Development

The Left-led Kerala government is all ready to implement its new Labor Policy that will be also be applicable for the informal sector. The policy is aimed at providing impetus for greater participation of the labour force with special focus on migrant workers, job security for women, healthy employee-employer relationship, and fixed minimum wages, eradicating child labor and promoting a gender neutral environment. It is not surprising that Kerala has proposed such a progressive policy as it was also the first State in the country to provide medical insurance, free treatment up to Rs 15000, safe and affordable housing etc starting in 2010 for its migrant workers who constitute around 7% of the total population in Kerala. Even though the policy addresses some of the crucial issues faced by these people that include jobs, housing, salaries etc, it should also provide safety and security measures to these migrant workers. In the past few months there have been reports on attacks on migrant workers. In one instance, more than 400 workers from the hotel industry fled the northern districts of Kozhikode and Malappuram after audio clips and text messages on social media went viral of around six Bengalis who were killed by the hotel owners in the two days. One of the messages even said that Hindi-speaking people in Kerala were being targeted and urged them to leave the state.

Introduction

According to the 2011 census, there has been a massive 77% growth rate of migrant population seeking employment in Kerala (between 2001 and 2011). Today, the State is host to as many as 40 lakh (4 million) migrant workers from almost all the States¹ in India who together constitute 7% of the total population² up from 25 lakh (2.5 million) workers as recorded in 2013) who contribute to two-third of the State's domestic product, with around 60% employed in the construction sector, while others take up jobs in wooden furniture industry, hospitality, plantation, iron and steel, marine fishing and seafood, mining and quarrying, and footwear. In a recent study titled "A Study on Interstate Migrant Workers", some of the major factors responsible for such a huge influx of migrants to Kerala include:

- Better wages
- Better living conditions
- Better employment opportunities and
- Social security

Kerala's average wage is nearly double the average wage of the country. For instance, in the last 6 years, the average salary of unskilled workers (including those in the unorganized sector) in Kerala has increased from Rs 350 to between Rs 400 and Rs 900 depending on the kind of work. Further as per the data for the month of April 2015, Kerala paid the highest wages to both men and women labourers in almost all daily wage jobs in agricultural and non-agricultural sector. Today unskilled labourers earn around Rs 650-700 in Kerala. In 2017, the State government increased minimum monthly salary of the domestic workers to Rs 5070.³ Apart

¹According to a study conducted in 2013 by the Gulati Institute of Finance and Taxation (GIFT), the state wise percentage of migrant workers residing in Kerala include West Bengal (20), Bihar (18.10), Assam (17.28), Uttar Pradesh (14.83), Odisha (6.67) and the rest of the states (23.13)

² Numbers likely to increase further By 2023, to up to 48 lakh, which will be 15% of Kerala's population in 2011 (33 million)

³ Wages for cooks, drivers, gardeners and home nurses are more; child care: Rs.5226, care of the elderly, patients and differently abled: Rs. 5226, cooking: Rs. 5538, driver/ gardener, security: Rs. 5694, garden worker: Rs. 5538 and Home nurse (day): Rs. 5850.

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from the wages, several schemes were initiated in 2010 that offer social security to these workers.⁴ The latest Labour Policy has been introduced with similar intentions.

The State government of Kerala recently ratified its State Labour Policy which is labour-friendly, promotes job security, enhances labour-employee relationships, fixes minimum wages, enforces decent compensation and decent working environment with crèche cess for women, initiates facilitation centres for migrant workers eradicate child labour, training programs for workers and discourage flash strikes and health, new health insurance and housing scheme for cover plantation workers etc; with all these provisions, the State seeks to ensure the welfare and social security of workers and at the same time caters to the needs of investment friendly requirements for a comprehensive development of Kerala's economy and society.

Key Provisions of the Labour Policy

I. Protecting the rights and welfare of the workers

Starting from wages, as per the new policy, the minimum wage is fixed at Rs 600 in all sectors even though the average salary of the of unskilled workers in Kerala can be between Rs 400 and Rs 900 while at the same time. It also proposes to end the practice of asking wages for work not actually done. The policy also recommends the implementation of the Kerala Recognition of Trade Unions Act, 2010 that enhances the collective bargaining power of workers. Other major provision includes,:

- Registration of head load workers to be Aadhar-based,
- Setting up of a labour pool of domestic workers
- A bank for the protection of domestic workers along with a Labor Intelligence Cell to ensure transfer of wages to the bank accounts of the workers.
- Volunteers who were familiar with languages of migrant workers would be appointed to communicate with workers from other states at the facilitation centers which will be established in various parts of the state to inform migrant workers about job opportunities and welfare measures for them.
- Also the state government's housing scheme for migrants, 'Apnagar,' which is a safe, economical and hygienic rental accommodation for migrant would be launched in all districts.

Recently, The Labor Department of the State made changes to the working time of manual labourers protecting them from long exposure to the sun during summer; no manual work be conducted between 12 noon and 3 p.m. while the interval would be treated as a mandatory rest period for workers. Also work shifts are limited to not more than eight hours at a time. Apart from these, the new policy also condemns and proposes strong steps to eliminate child labor.

II. Promoting employment opportunities

To begin with, the Labor Department is going to launch a survey to count the actual numbers of unemployed people. Presently, there as many as 35 lakh people registered in the exchanges, however not all of them are employed; the details of the survey will also be accessible by foreign employers from employment exchanges. The government also wants to implement a law to ensure that only government, quasi-government, and government-controlled institutions fill temporary vacancies from the employment exchange pool. The government also is planning to open employability centers in all districts and promises skill development programs for the job aspirants. The Overseas Development and Employment Promotion Council will also

⁴<http://www.thehindu.com/todays-paper/tp-national/tp-kerala/Welfare-scheme-for-migrant-workers/article16028622.ece>

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organize skill development programs for youth for promoting employment opportunities abroad. Apart from this, the policy also talks about a new law that will regulate wage and service conditions for teaching and non-teaching staff in unaided educational institutions.

III. Gender equality in employment

The policy emphasizes on creating a women friendly workplace in the State. For this, firstly in organizations where there are women workers at the site/workplace, *crèches* at *work* places will be *set up* wherever possible (however the minimum number of women required for setting up a *crèche* is not mentioned) along with a *crèche* cess and designated areas in work places for feeding babies to be set up in association with the Social Justice Department. The policy also envisages proper lodging facilities while travelling, overtime remuneration, weekly leaves, rest intervals etc apart from maternity benefits for the woman employees.

The significance of the Policy

The new Labor Policy introduced by the Kerala State government, seems to have been introduced after its criticism against the BJP led government at the Centre at several occasions for pursuing anti-labor policies. Going by the statistics, the state of laborers in India is disappointing with the unemployment rate increasing since the NDA began its term in May 2014. Presently, as per the Labor Bureau statistics, India is one of the most unemployed in the world; in the inclusive growth index India stands at number sixty. Apart from this, the Centre for Monitoring Indian Economy (CMIE), the World Bank⁵ as well as the ILO⁶ indicates towards the crises of mass unemployment in India. Hence at a time where there will be 104.62 million fresh entrants in the labour market by 2022, the statistics provided in these reports further suggest that it will be difficult for India to create 8.1 million jobs annually, against the 5.5 million created in 2017, to keep employment rates constant between 2015 and 2025.

Further the government, has introduced several new legislations, amended certain existing ones and implemented certain policies that seemed to have favoured the companies/investors rather than the workers/working class. For instance the first scheme that was launched by the Centre was “Shramev Jayate” (2014) that aimed to improve the status of the working class however, failed to bring any significant changes in their lives. Further many BJP led States such as Rajasthan, Gujarat, Madhya Pradesh and recently Maharashtra tried to simplify certain labour laws for its workers that ended up worsening the situation, as it favoured the employers.

The following table talks about the amendments implemented in various BJP led States

State	Labour Law	Amendments made

⁵India needs to create 8.1 million jobs a year to maintain its employment rate, according to World Bank report 2017

⁶The International Labour Organisation (ILO) has projected unemployment in India at 18.6 million in 2018, higher than 18.3 million in 2017. It projected unemployment rate at 3.5% in 2018

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Rajasthan (2014)	Industrial Disputes Act, 1947	The amendment allows the companies employing up to 300 staffers to lay off workers_or close down without taking the government's prior approval. Earlier, those with up to 100 employees were allowed to do so.
	Contract Labor Act, 1970	The amendment allows up to 49 contract workers to be employed without a license.
	Apprentice Act, 1961	The amendment make it easier for the employers to employ large numbers of people with no rights in order to help industry get skilled workers and generate more opportunities for the state's youth.
	Factories Act, 1948	The amendments increases the threshold limit of workers from 10 to 20 (with power) and 20 to 40 (without power) for factories act to be applicable. Further complaints against the employer about violation of this Act will not be dealt by a court without prior written permission from the state government.
Gujarat (2015)	Out of court settlement	This provision aims to implement a system whereby labourers can arrive at a compromise with employers without approaching court. This simply means that the protective nature of labour laws will be not be applicable and the employers can end up not paying the workers their due, nor face legal action for not doing so.
Madhya Pradesh (2015)	Let go of up to 100 employees without government approval	As per the amendment, the companies will be allowed to <u>let go of up to 100 employees</u> without government approval, the higher limit is however applicable to companies where not less than 300 workers are employed on an average per working day for the preceding 12 months putting the jobs of these employees under threat.
Maharashtra (2017)	Contract Labour (Regulation and	The amendment reduces the number of establishments to be covered by this law in the

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	Abolition) Act, 1970	state; earlier, the law which applied to units with 20 or more workmen. After the amendment in Maharashtra, it will now apply to units with 50 or more employees. This means employers can avoid providing statutory benefits, including provident fund, the minimum wages and leave to contract workers in smaller units.	
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As a result, between the years 2015 to 2018, workers from all States have staged protests against anti-worker policies of the Centre including millions of farmers who have committed suicide; 180 million Indian workers went on strike in the year 2016 against the government's economic reforms that include demonetization that affected more than 90% of the informal sector.

Further many health workers have not been paid for months; MGRENGA, the largest employment scheme has been suffering from cash crunch. Apart from these ongoing issues, there are still no labour laws to cover women workers; national policy on domestic workers is yet to be implemented, the Code on Wages Bill 2017 that replaces the four existing laws relating to wages and dilutes the pro-labour clauses in the four earlier legislations or the recent notification of fixed-term jobs for all sectors; all these initiatives have faced black clash from the trade unions, the labourers and the society as a whole.

Way Forward

By enacting reforms like those mentioned in the draft labour policy, the Centre can fulfill its duty of being a welfare state that protects the labour force from exploitation at the hands of their employer and at the same time, create a just and peaceful work environment in the country. India's labour policy should comply with the Universal Declaration of Human Rights that advocates for the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.

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Headline

164 Aadhaar-Related Frauds Reported Since 2011, Most in 2018: New Database

(Alison Saldanha, *Indiaspend*, May 23, 2018)

A new database created by independent researchers Anmol Somanchi and Vipul Paikra claims that in the six years since the launch of the Aadhaar programme in September 2011, 164 cases of forged or fake Aadhaar numbers and Aadhaar-related banking frauds have been reported in the English-language media. “The ambiguity around Aadhaar has led to an increasing number of cases where citizens are swindled of their money,” Somanchi said. “India is still grappling with limited financial, technological literacy—people aren’t sure of what they should or should not share and the authorities have failed to provide that clarity.” As of April 2018, more than 1.2 billion Indians – 99.7% of the population – had enrolled under the Aadhaar programme.

Read more: <http://www.indiaspend.com/cover-story/164-aadhaar-related-frauds-reported-since-2011-most-in-2018-new-database-81967>

Date accessed: 24.05.2018

Governance and Development

GOVERNMENT

Only 7% insurance claims for 2017 kharif crop paid in Maharashtra

(Priyanka Kakodkar, *The Times of India*, May 27, 2018)

The Pradhan Mantri Fasal Bima Yojana has been marred with inordinate delays in claim settlements. The story of Maharashtra is no different. While claims worth Rs 2,269 crore were due from insurance companies for the kharif season of 2017, the farmers received only around Rs 165 crore (7.2%) till May 10, 2018. Farmers groups claim those who opt for crop loans have to compulsorily enrol for the insurance scheme. Out of the 81 lakh had registered for the scheme. Of these, nearly 45 lakh farmers or 55% were estimated to be beneficiaries. However, till May 10, only 3.5 lakh farmers or 8% of the beneficiaries had received the payout.

Read more: <https://timesofindia.indiatimes.com/city/mumbai/only-7-insurance-claims-for-2017-kharif-crop-paid-in-maha/articleshow/64337029.cms>

Date accessed: 28.05.2018

Bihar's prohibition crackdown: Two years later, OBC, EBC, SC, ST face the brunt

(Santosh Singh, *The Indian Express*, 28 May 2018)

Two years after implementation of prohibition laws in Bihar, official figures show that marginalised communities in the state have faced the brunt of government crackdown. The share of SC/ST/OBC inmates for violation of prohibition laws is far greater than their share of total population in the state. The most common criticism of the implementation of the law has been that the Act targeted smaller players often from weaker sections of the society while ignoring the liquor mafia. The prison authorities and the state home ministry were also recently accused of attempting to profile their prisoners by asking the jail superintendent to conduct a caste based social break-up survey, although the authorities have denied the claims.

Read more: <http://indianexpress.com/article/india/bihars-prohibition-crackdown-two-years-later-obc-ebc-sc-st-face-brunt-nitish-kumar-liquor-ban-5193755>

Date accessed: 28.05.2018

Cash crop cultivation set to get a boost in Odisha

(*The Indian Express*, May 28, 2018)

The Odisha government will be encouraging farmers to allot more space for cash crop cultivation during the kharif season and reduce area for paddy. As part of the agriculture strategy for the Kharif season, cultivation area for commercial crops will be increased while cultivation space will be further reduced to 2.8 lakh hectares for paddy. The government also plans to incentivise the farmers for adopting this strategy by offering remunerative prices if they switch over from traditional paddy to cash crops. The focus will also be on increasing paddy yield from 2,413 kg per hectares last year to 4,254 kg per hectares this year by introducing two new varieties of paddy which are resistant to water logging.

Read more: <http://indianexpress.com/article/india/cash-crop-cultivation-set-to-get-a-boost-in-odisha-5194026/>

Date Accessed: 28.05.2018

EDUCATION

Schooling in border areas hit every year, but state still without strategy (Arteev Sharma, *The Tribune*, May 22, 2018)

Schools along the international border of Jammu & Kashmir are shut down on a daily basis due to cross border shelling. However, the state government is yet to formulate an education policy to take care of the schooling of children living in these areas. According to JK Sudan, Chief Education Officer (CEO), Jammu, there are close to 150 government schools within a radius of 5 km in border areas, including Bishnah, RS Pura, Arnia, Suchetgarh, Khour and Jourian, in Jammu district that are prone to shelling. "Any skirmish on the border forces the children and their families to leave their homes and stay in relief camps without books and teachers. Many times, their stay at relief camps prolong for several weeks due to hostile conditions along the border."

Read more: <http://www.tribuneindia.com/news/jammu-kashmir/schooling-in-border-areas-hit-every-year-but-state-still-without-strategy/592905.html>

Date accessed: 23.05.2018

Governance and Development

HEALTH

Health rates ‘unsustainable’

(G.S. Mudur, *The Telegraph*, May 28, 2018)

The Association of Healthcare Providers in India (AHPI) has said that the Centre’s proposed rates of reimbursement to hospitals under the National Health Protection Scheme (NFHS) are “low” and “unsustainable.” The NFHS, working through insurance models, will reimburse empanelled hospitals for medical procedures. The AHPI argues, “The fear is that if the tertiary-care rates are significantly lower than the actual costs, specialist tertiary-level hospitals might not take up the scheme.” If the rates are not compatible, patient safety might get compromised, said Girdhar Gyani, director-general of AHPI.

Read more: <https://www.telegraphindia.com/india/health-rates-unsustainable-233618>

Date accessed: 02.05.2018

India and the World

SCO meet: India flags security challenges of Afghanistan

(The Indian Express, May 29, 2018)

In the ongoing Shanghai Contact Group (SCO)-Afghan Contact Group Meeting in Beijing, the representing Indian delegation highlighted concerns over Afghanistan's internal security situation while at the same expressing its willingness to contribute towards bringing peace and stability in the region. India shared its perspective on the challenges posed by terrorism and extremism imposed from beyond its borders and supported the Afghan government's peace offer to the armed groups in the country. The role of Shanghai Contact Group (SCO) and measures for cooperation between SCO and Afghanistan were also discussed in the meet.

Read more: <http://indianexpress.com/article/india/sco-meet-india-flags-security-challenges-of-afghanistan-5194895/>

Date accessed: 28.05.2018

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