

# BROKEN MARKETS: REFLECTIONS FROM INDIA'S LABOUR LANDSCAPE

Part I

InfoSphere

**A Centre for New Economics Studies Initiative**

By Divyansh Singh Parihar, Diya Chadha and Swasti Ray

*Shram Ko Naman* is a collective effort of the Centre for New Economics Studies to interpret and understand the impact of the current crisis on India's working class.

This **two-part InfoSphere Issue for months of June and July** shall be looking at the fragmented nature of India's labour market.

This Issue shall focus on:

1. The nature and form of migrant work in India
2. The state of worker unions in India
3. Concerns of child labour, bonded labour and issues of workplace safety



INTRODUCTION

# MIGRANT WORKERS

**The number of migrants by place of last residence in India rose to 453.6 million in 2011, with an addition of 139 million.**

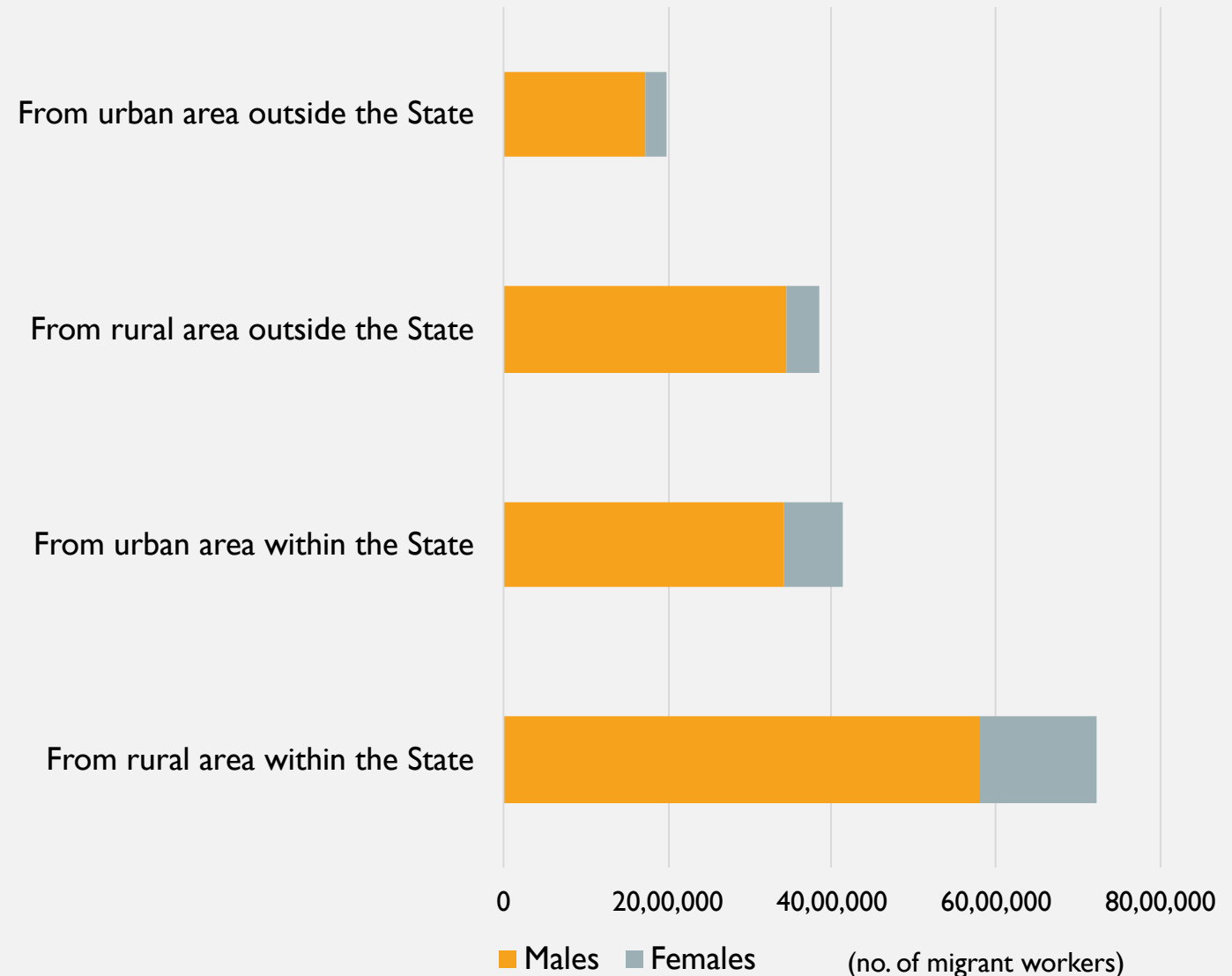
It is estimated that on an average of about 14 million people migrate every year to search for employment opportunity.

Traditionally, inter-state migrants have been only a small percentage of the total migrants in India. As per the 2011 Census, inter-state migrants constitute a significant proportion of total migrants.

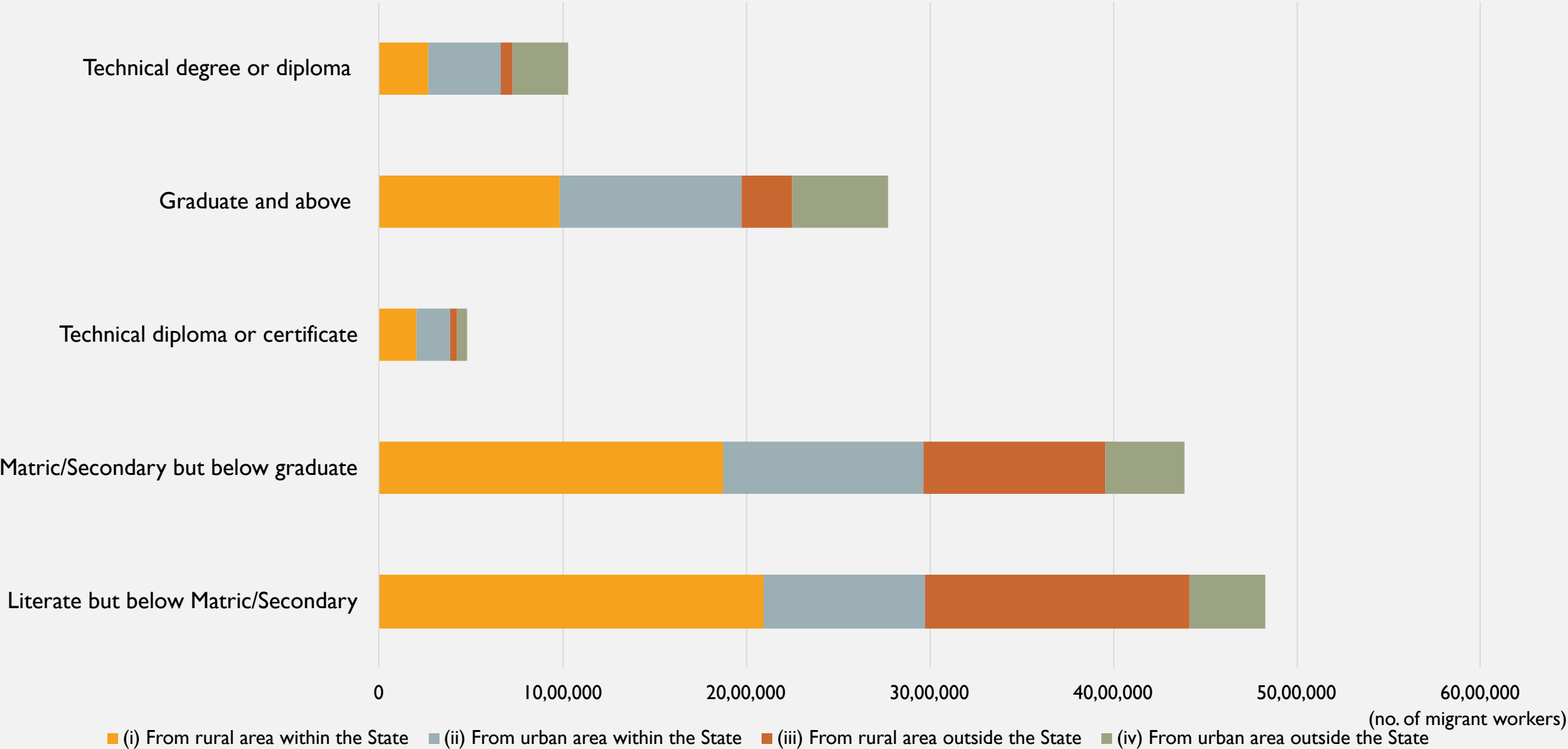
This floating migrant population is subjected to poor standards of living in their new surroundings while they look for jobs in a labour market and during the tenure of their jobs.

(Read more: <https://www.ijser.org/researchpaper/A-study-on-issues-of-inter-state-migrant-labourers-in-India.pdf>)

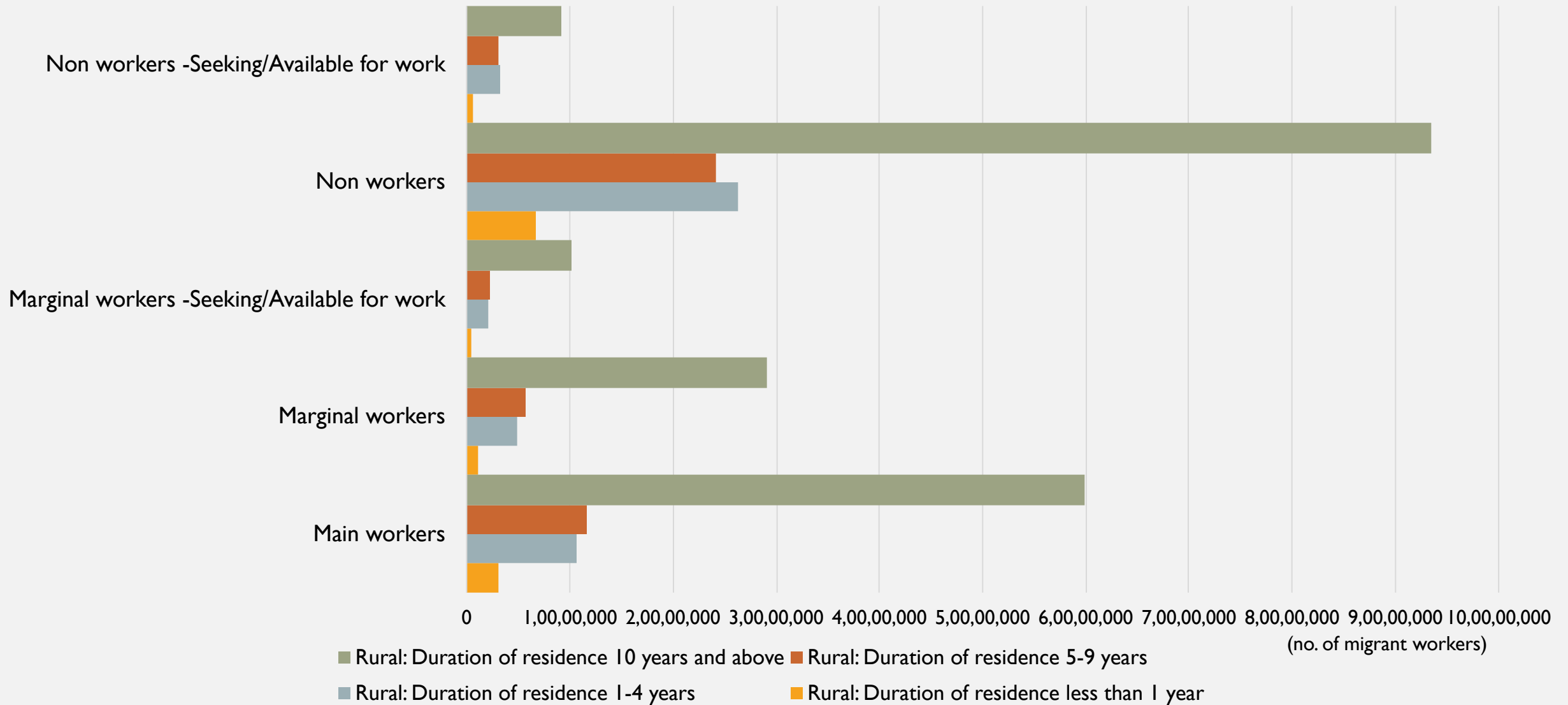
## Population with 'Work/Employment' as reason for migration



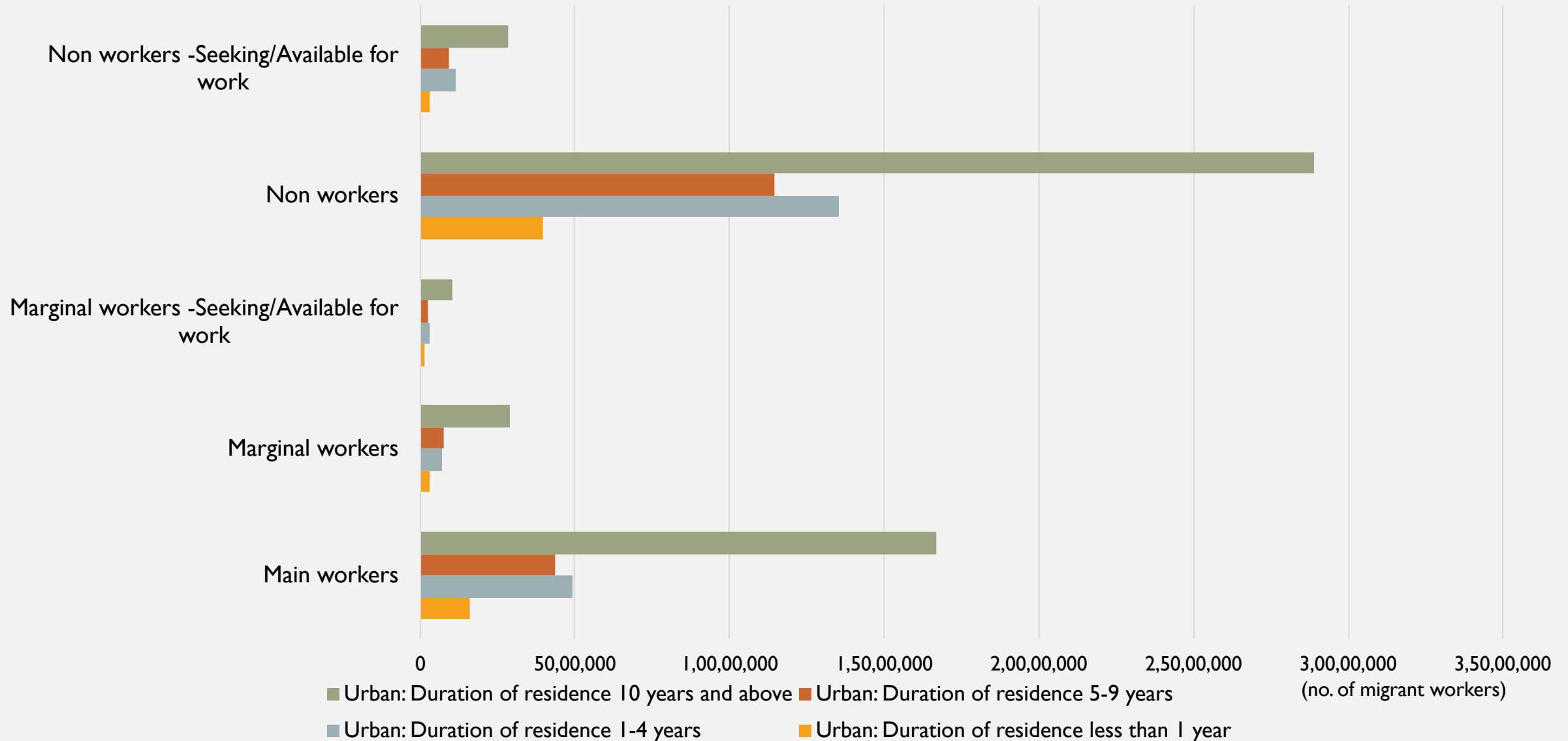
# EDUCATIONAL BACKGROUND OF MIGRANT WORKERS



# DURATION OF RESIDENCE OF IMMIGRANTS BASED ON NATURE OF JOB (RURAL)



# DURATION OF RESIDENCE OF IMMIGRANTS BASED ON NATURE OF JOB (URBAN)



# CONCERNS AROUND CHILD LABOUR ACROSS INDIA

Although the percentage of child workers in India has fallen from 2001 to 2011, the number of children employed for work is still very high. The data considers children between the age 5 and 14.

Moreover, from the labor supply shock seen from COVID-19, **the number of child workers is expected to increase.**

The closure of schools has affected more than 33 crore students, many of whom were dependent on the mid-day meal programme.

This has forced them to leave school permanently and work in farms.

(Read more about this at:  
<https://vvnli.gov.in/sites/default/files/State%20of%20Child%20Workers%20in%20India-Mapping%20Trends.pdf>)



# STATE-WISE DISTRIBUTION

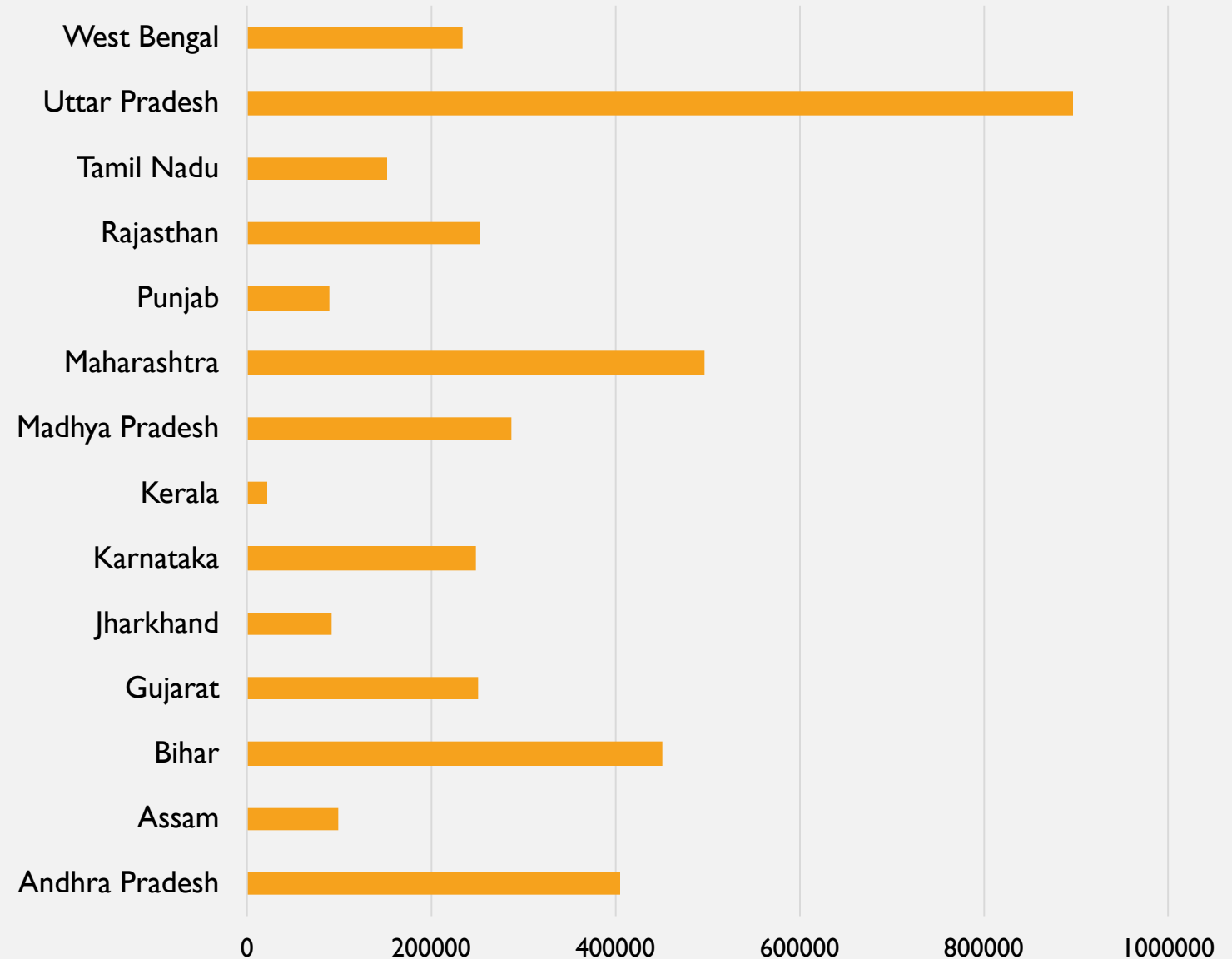
Although India has seen a fall in child labour over the last two decades, according to a Campaign Against Child Labour (CAC) study, India has 1,26,66,377 child labourers.

Bihar, Uttar Pradesh, Rajasthan, Madhya Pradesh and Maharashtra are India's biggest child labour employers.

**1 in every 11 children in India works to earn a living**, according to statistics by ActionAid India.

National capital Delhi is responsible for a share of 1 million child labour alone.

## STATE-WISE NUMBER OF CHILDREN EMPLOYED (AGES 5-14) (2011)





# CHILD WORKERS BY DURATION OF WORK

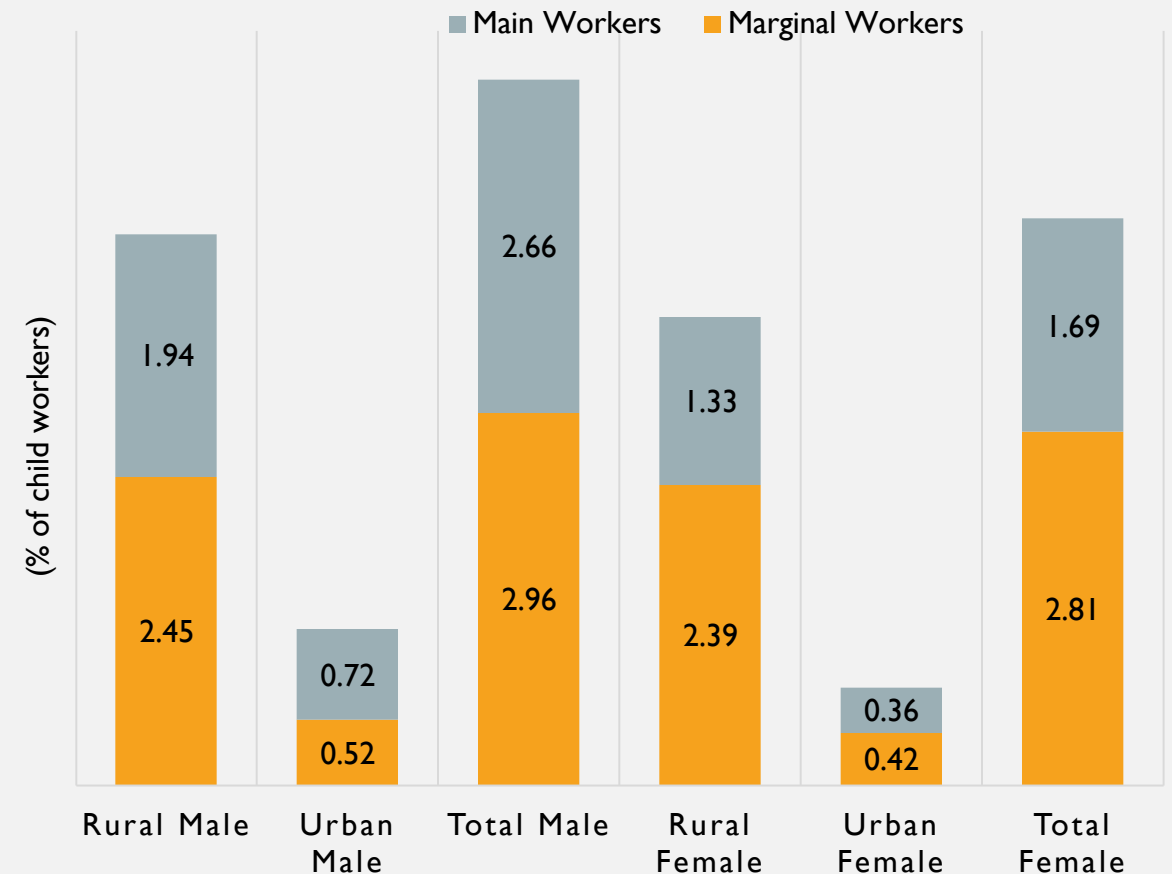
As classified by Census of India, an analysis of child workers by duration of work is understood by the status of child workers as 'main' and 'marginal' workers.

**Main workers are those who work for 6 months or more in the preceding one year and marginal workers are those who work for less than 6 months.**

It was found that out of 10.1 million workers in the age group of 5–14 years, **4.4 million were main workers in 2011** while **5.8 million were marginal workers** (that included 3.5 million students and 2.3 million others).

It is disturbing to note that the proportion of marginal workers who were students had increased from 2.5 million in 2001 to 3.5 million in 2011.

**Child Workers by Duration of Work(2011)**

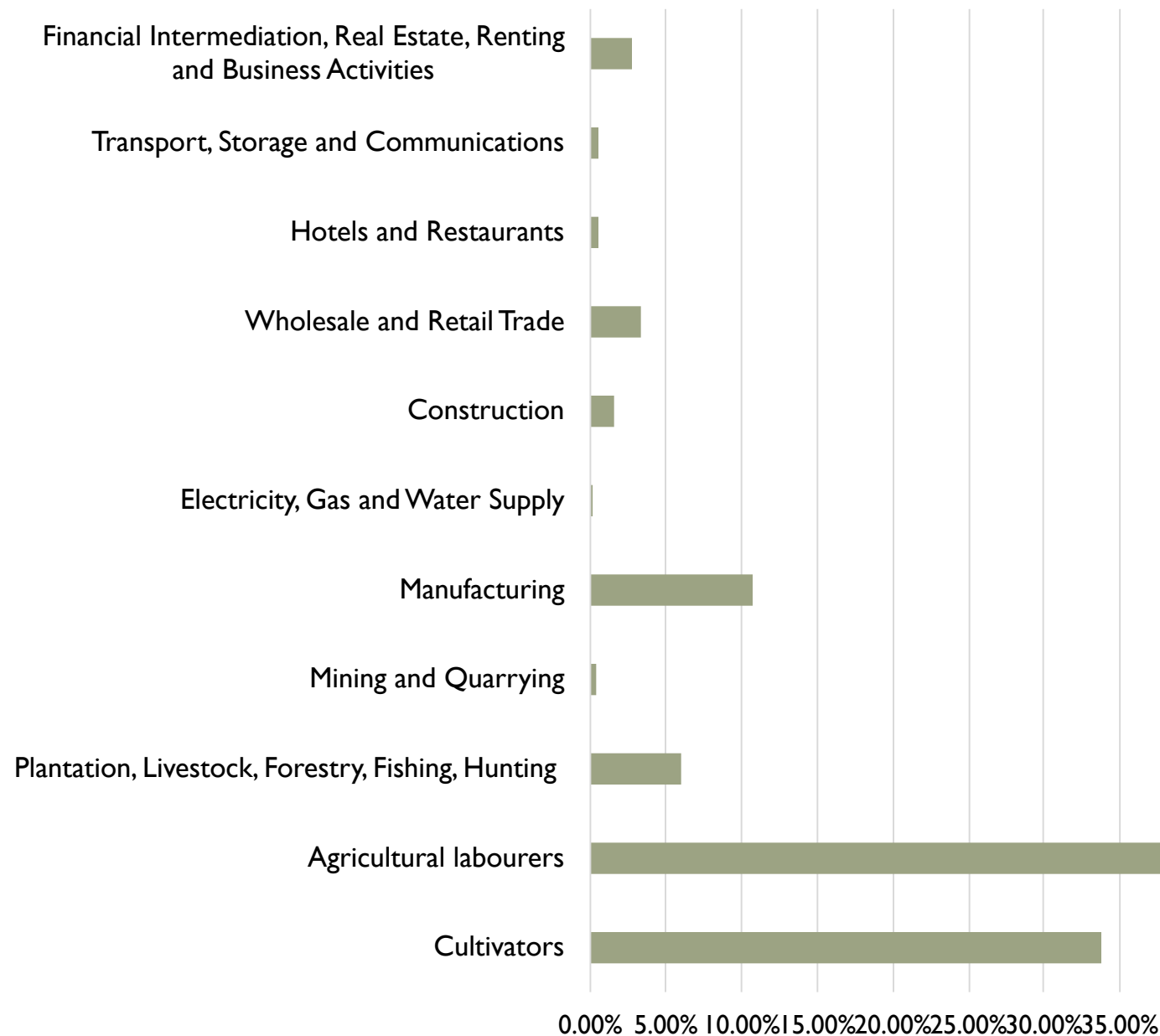


# MAJOR SECTORS THAT EMPLOY CHILD LABOUR

In urban areas, a larger proportion of children were found to be employed in wholesale and retail trade (18.1 per cent), manufacturing in non-household industries (16.5 per cent), as well as in household industries (13.5 per cent).

However, **the number of children engaged as agricultural labour and cultivators declined in 2011 as compared to 2001**, which might be attributed to an increase in school enrolment due to governmental intervention and education policies like Sarva Shiksha Abhiyan.

## Child Workers in Major Sectors in India (2001)



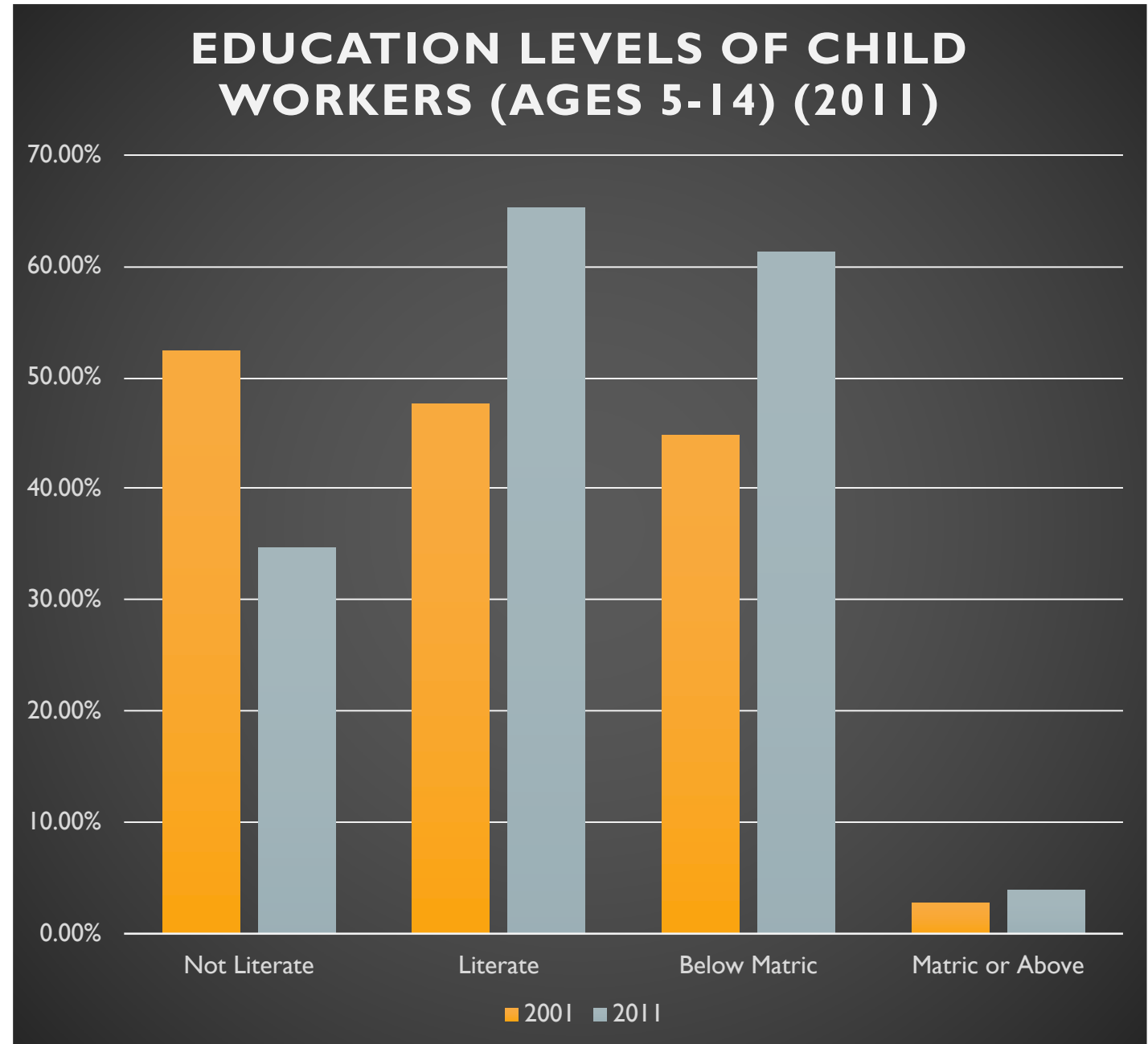
## EDUCATION LEVELS OF CHILD WORKERS

Out of a total of 4.4 million main child workers in the country in 2011, **2.8 million (65.3 per cent) between the age group of 5–14 years were literate.** This was an increase from 47.6 per cent literate main child workers in 2001.

**This large increase in a decade implied that more and more children were beginning to attend at least some classes in schools.**

However, flagship programmes of the Government of India have not contributed enough towards retaining children in school for longer time periods. **Despite the higher rates of literacy and school attendance, several children are still forced to work.**

(% of child workers)



# BONDED LABOUR IN INDIA

**Bonded labour** is the pledge of a person's services as security for the repayment for a debt, or other obligation, where the terms of the repayment are not clearly or reasonably stated, and the person who is holding the debt has some control over the labourer.

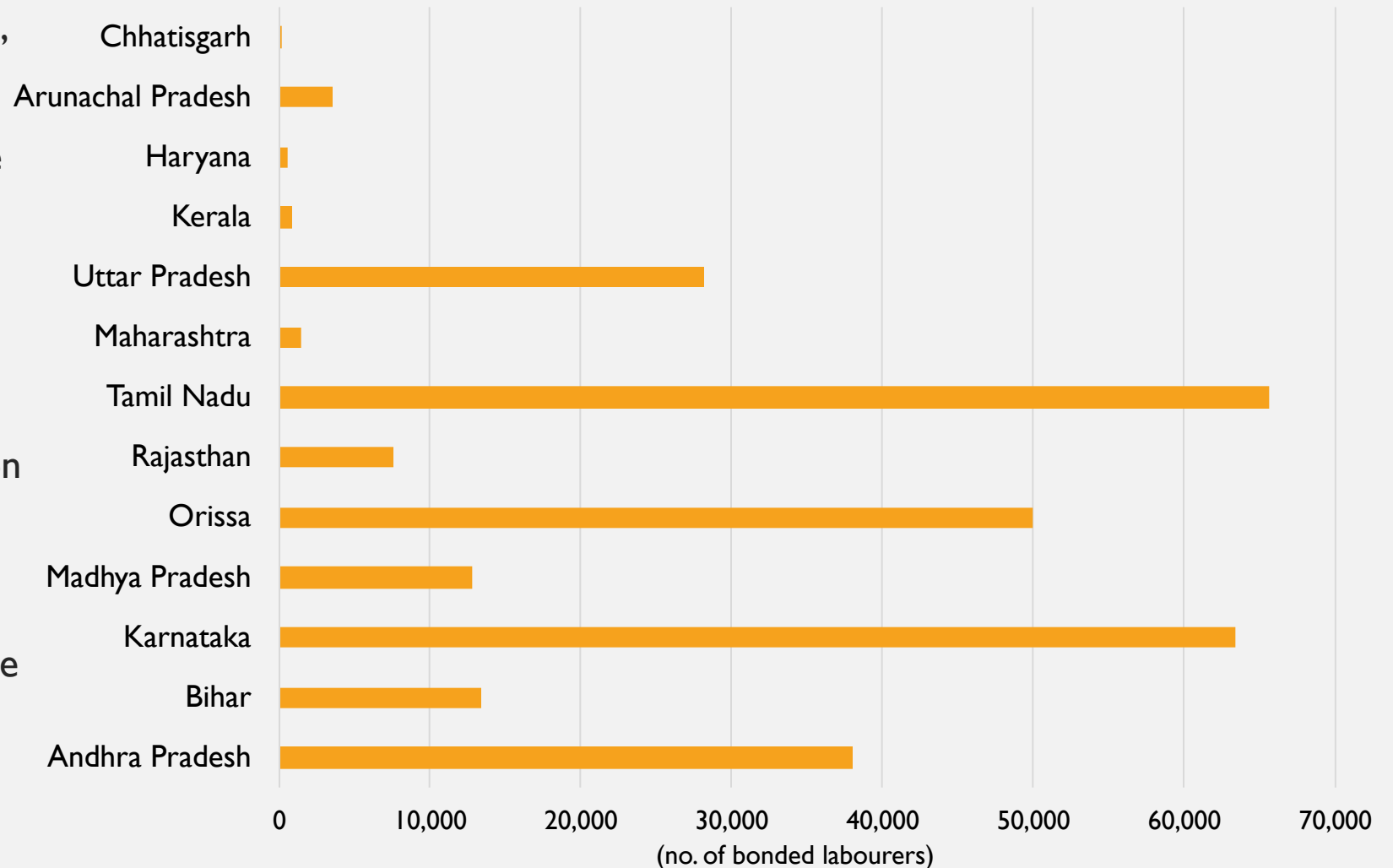
According to International Labour Organization there were 1.17 crores bonded labourers in 2014.

Bonded labour is mostly prevalent in agricultural sector, informal sector (cotton textile handlooms, brick kilns, construction work, domestic help etc.)

States like Tamil Nadu, Karnataka, Odisha and Andhra have seen maximum incidence of bonded labor.

(Read more about this at:  
[https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_081967.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_081967.pdf))

**STATE-WISE BONDED LABOURERS IDENTIFIED (2004)**



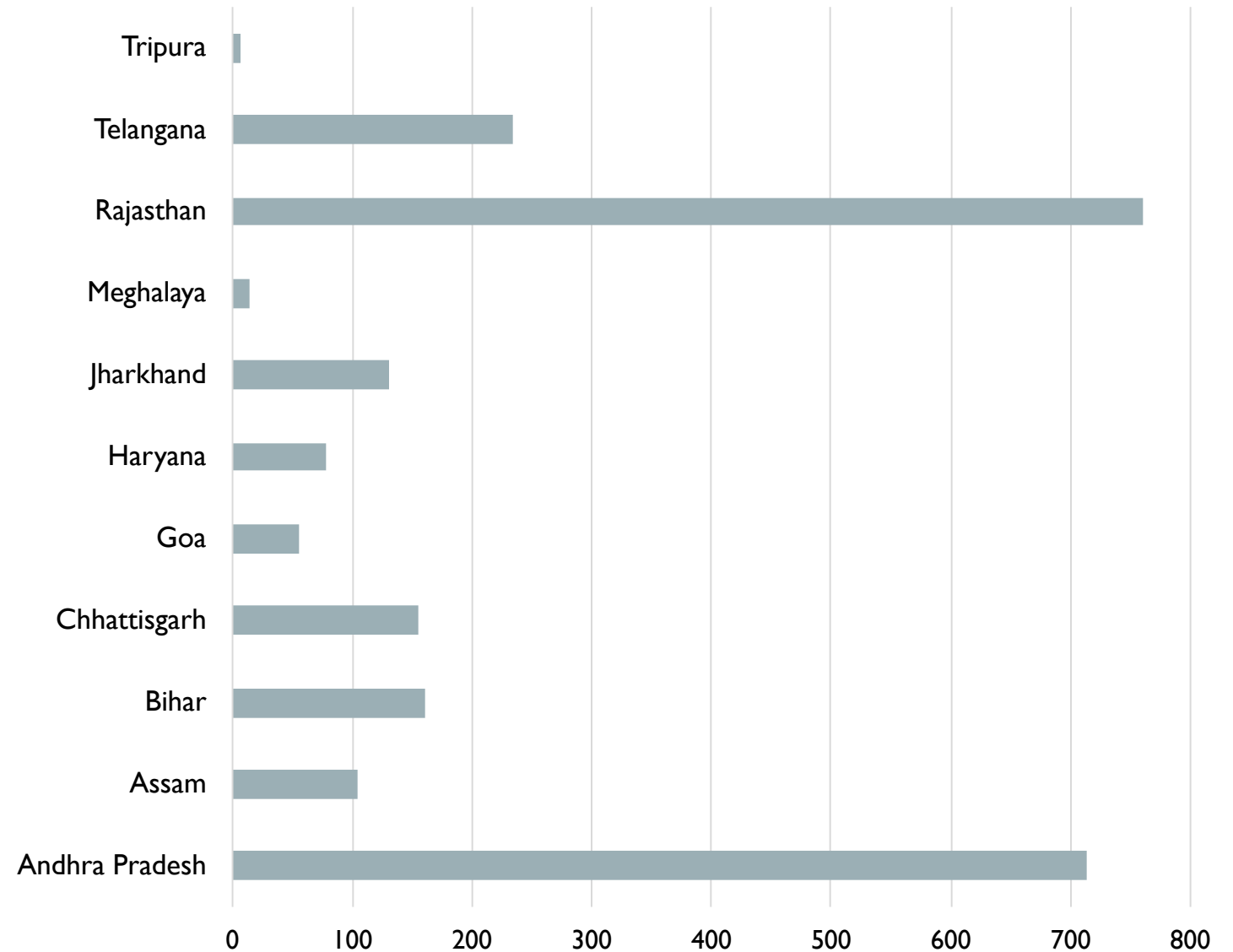
# WORKPLACE SAFETY

**About 48,000 workers die in India due to occupational accidents of which 38 fatal accidents take place every day in the construction sector.**

Only 20 percent of India's workforce is covered under the existing health and safety legal framework.

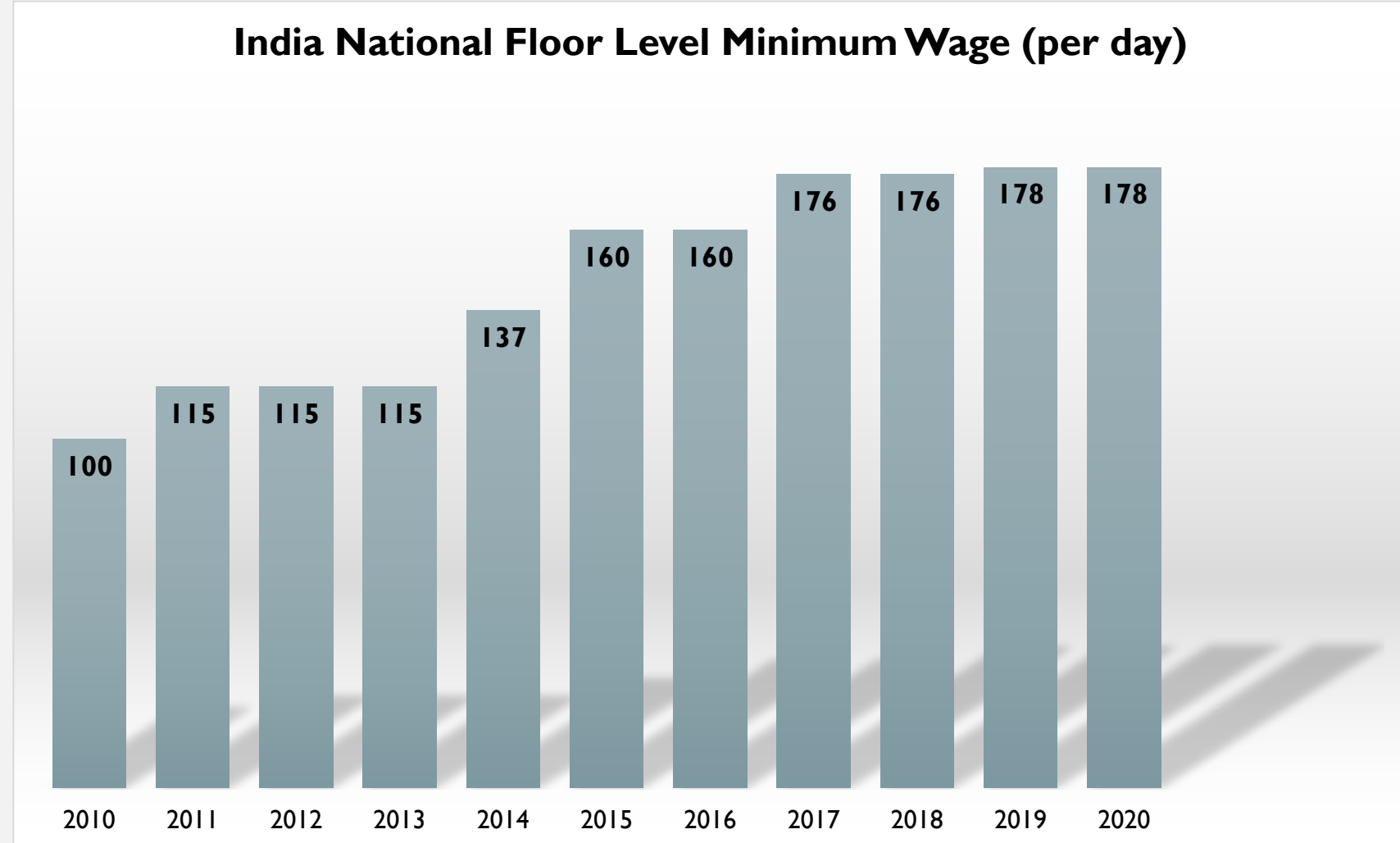
According to the British Safety Council, there is massive under-reporting of accidents at workplaces in India as there is no requirement to report accidents and ill health in many industry sectors.

## NUMBER OF ACCIDENTAL INJURIES IN THE WORK PLACE (2013)



# MINIMUM WAGE IN INDIA

Although minimum wage in India fluctuates between different states, and even between types of work, the National floor level minimum wage has officially been Rs. 178/day for the last two years.



# UNIONS IN INDIA

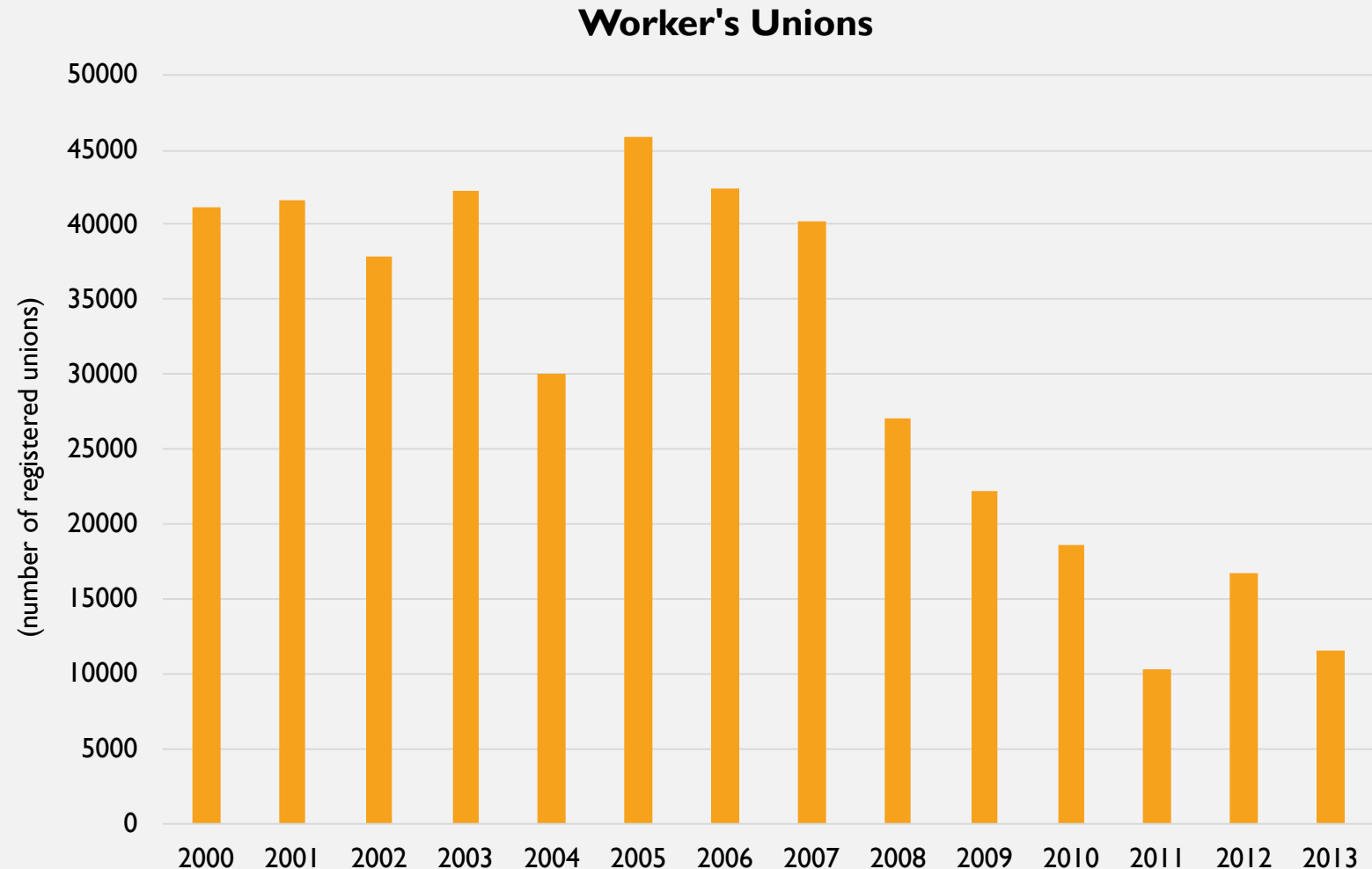
India has the largest number of trade unions, but they have developed very slowly.

**Currently, only about 28% of the workers in India are unionized.**

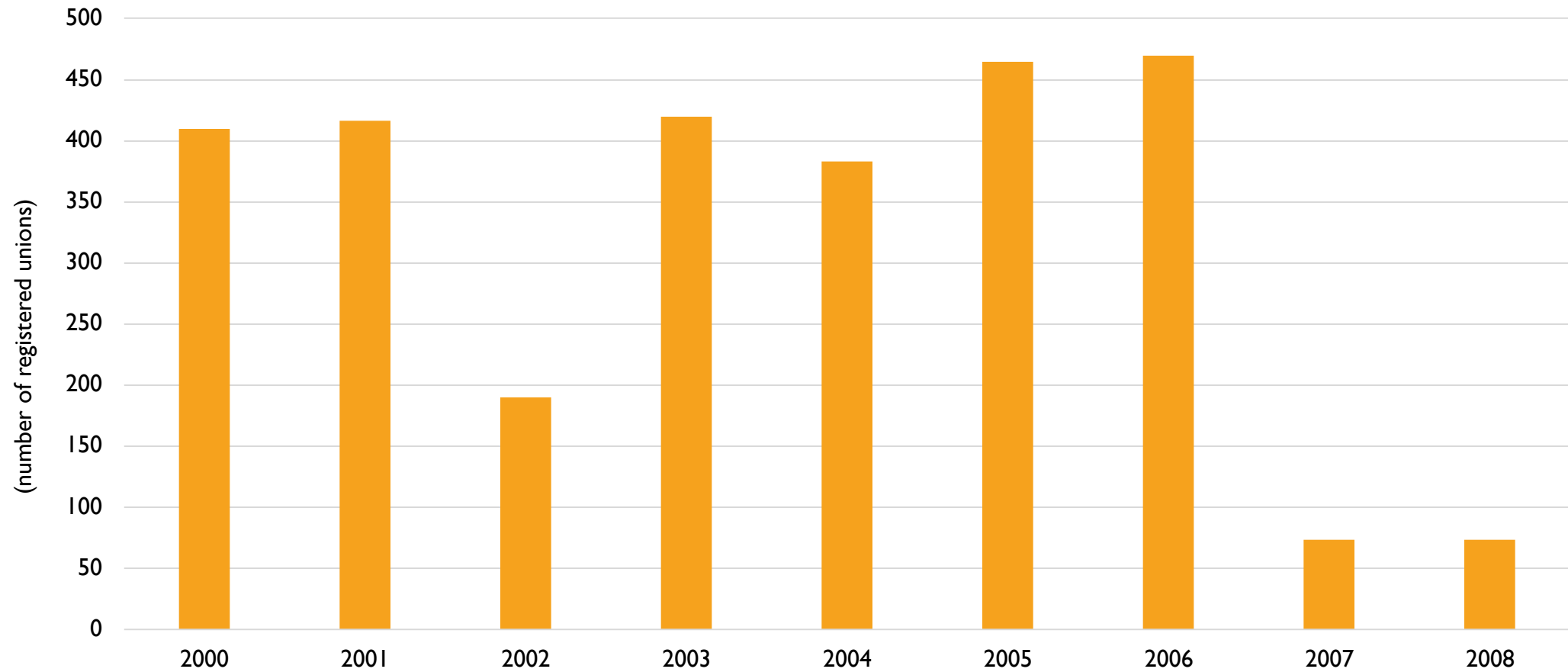
**The unions are getting smaller in size. Their finances are generally in bad shape.**

The unions often cannot make a constructive approach because of intensive inter-union rivalries and multiplicity of unions. Then, there is the heterogeneity of membership with workers from different areas, classes, castes and regions. Because of such peculiarities, Indian unions are yet weak, unstable, amorphous, fragmented and uncoordinated.

(To read more about this: Journal of Accounting and Marketing)

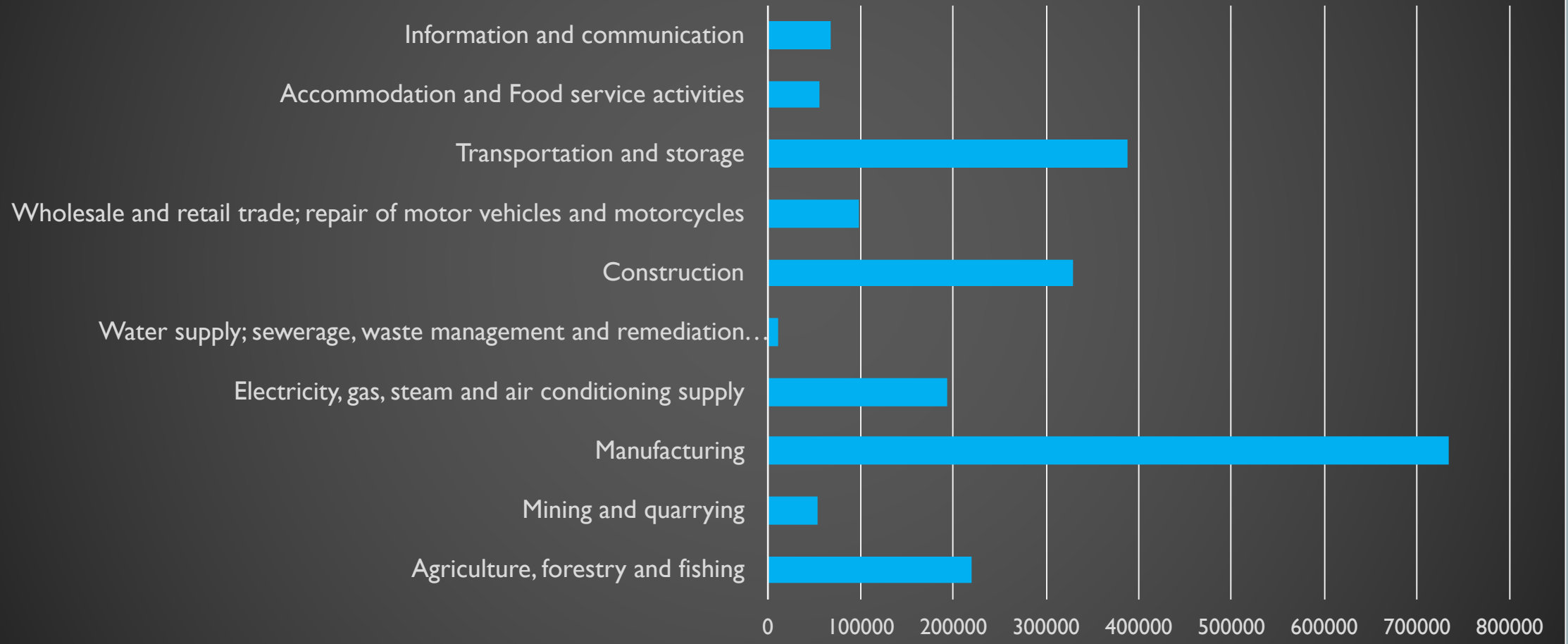


## Employers' Unions





## NUMBER OF REGISTERED UNION MEMBERS –INDUSTRY WISE (2013)



(number of union members)

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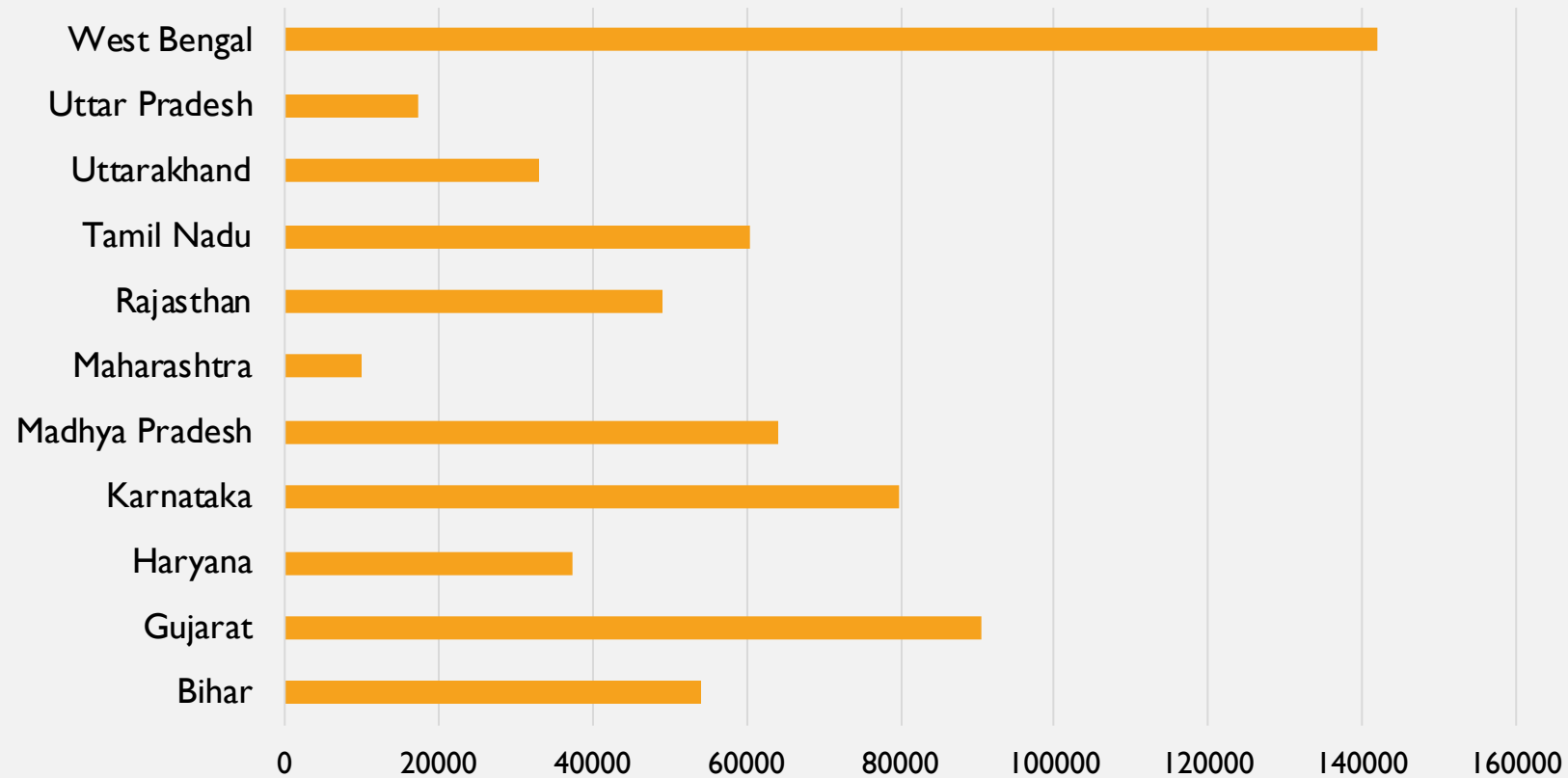


(number of union members)

# WORKER STRIKES

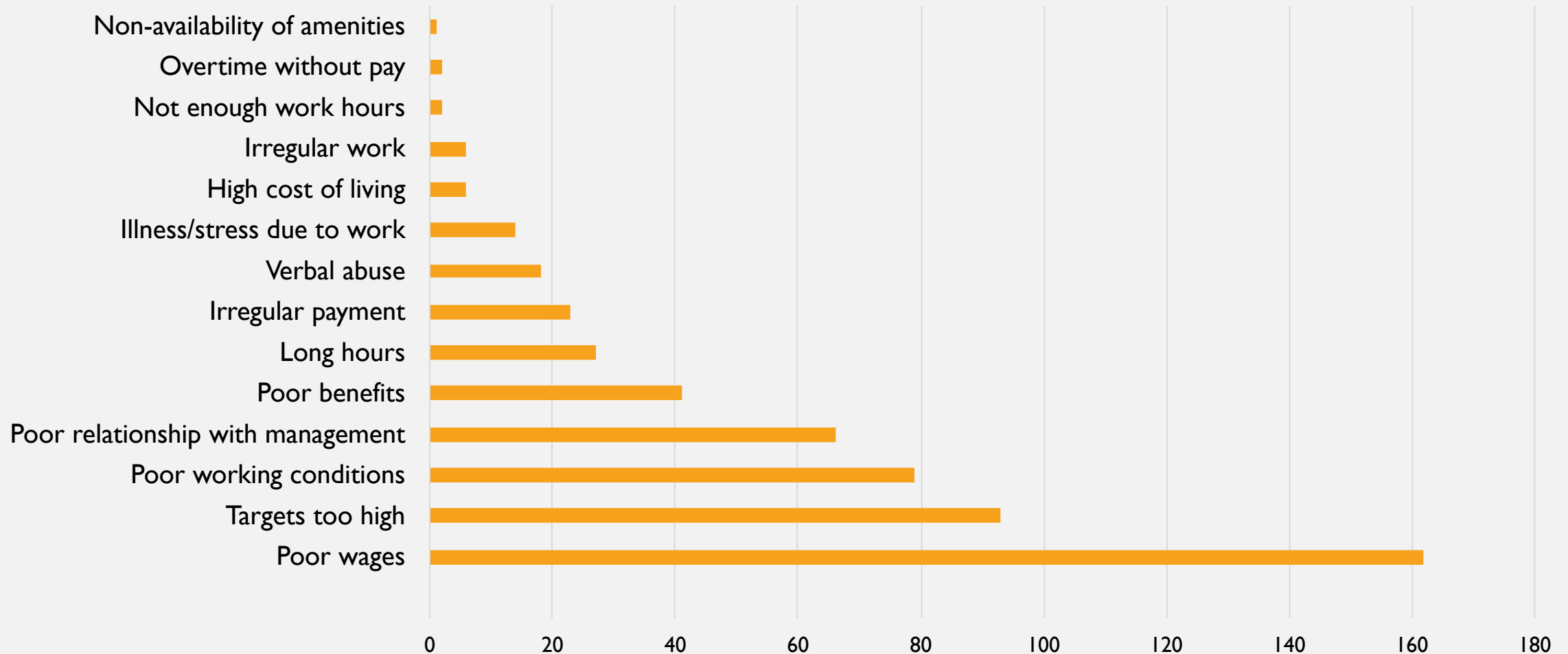
Workers are not treated fairly, resulting in several strikes. The unions allow the workers to unite and fight for their rights.

## STATE-WISE NUMBER OF WORK DAYS LOST DUE TO STRIKES (2014)

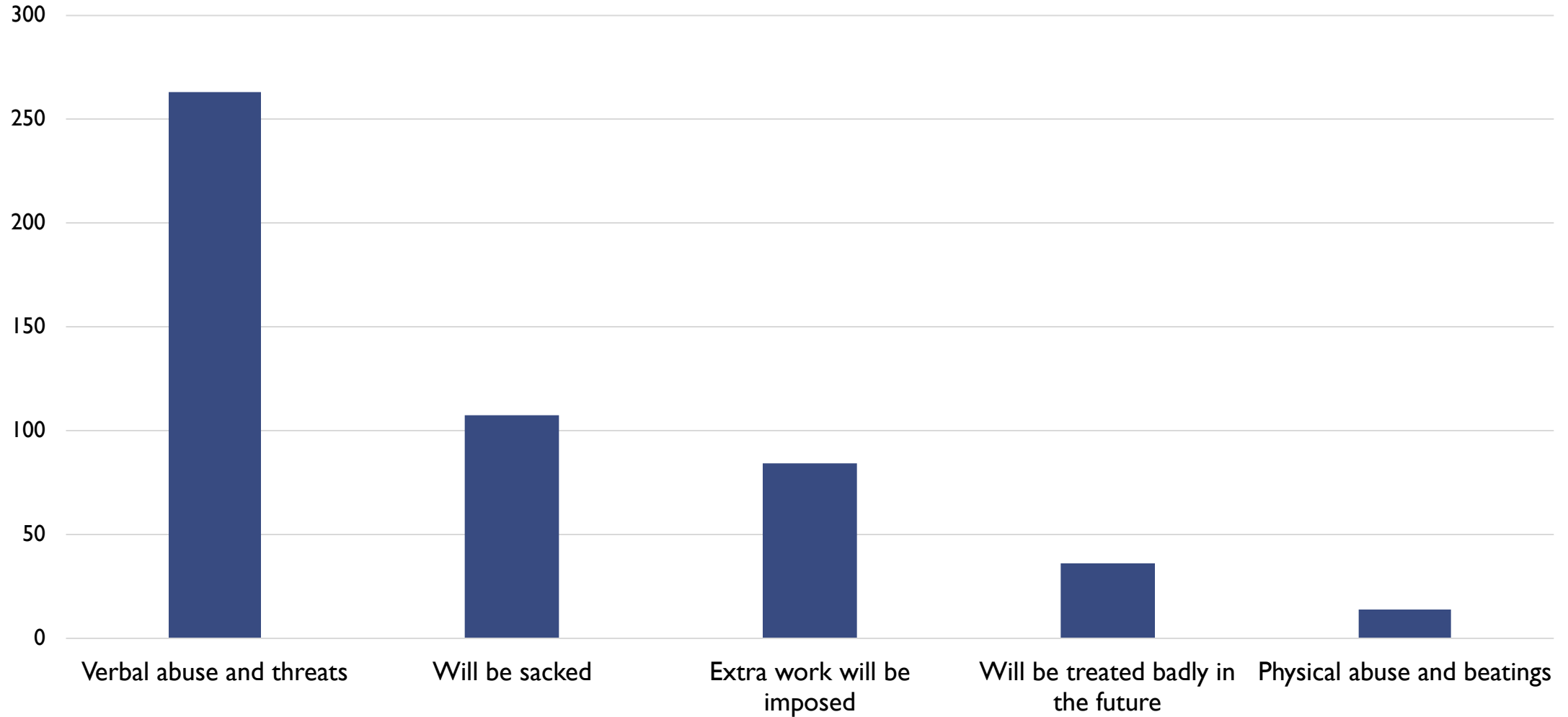


# PROBLEMS THAT UNIONS TRY AND SOLVE

## PROBLEMS FACED BY WORKERS



## PENALTIES FOR NOT MEETING TARGETS



## CONCLUSION

Through this 1st Part Of Our Special Issue On Broken Markets we observe how:

- Migrant workers are subjected to poor living conditions and despite this migrant work has increased significantly. Internal migration has seen a significant rise since 2001.
- Despite stringent laws, child labour is expected to increase in the future. This is expected as most children may join the (child) workforce due to closure of schools and halt in distributive effect of welfare schemes such as mid-day meals (offered in schools).
- There seems to be a decrease in unionization in India. This negatively affects workers' bargaining power and agency to secure better (and more sustainable) working conditions.

Watch Out For the 2nd Part in Our *Shram Ko Naman* Series (In July)....