



## **Cheat sheet about development issues in India**

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Gram Vaani's target community is the rural and urban poor, especially in the north Indian states of Bihar, Jharkhand, Uttar Pradesh, Chattisgarh, Madhya Pradesh, Delhi NCR, and Haryana. Governance institutions have largely failed these people, and they remain oppressed with poor socio-economic mobility despite rapid economic growth happening in the country<sup>1</sup>. The administration of public welfare schemes and the delivery of health and education services in these states remains poor<sup>2</sup>, with widespread malnutrition, poor quality of education, and a badly functioning public health system. Local industries have not grown rapidly<sup>3</sup>, and while heavy industries such as mining which do employ locals have kept pace with India's development, suppressed wages and widespread casualization of labour has resulted in considerable exploitation and resentment among the rural populations<sup>4</sup>. Agriculture is no longer able to absorb surplus employment<sup>5</sup>, and poor price realizations by farmers with the goal of keeping food inflation for the retail consumers low, has further eroded livelihoods through farming<sup>6</sup>. As a result, widespread migration happens to industrial centers such as Delhi NCR, but where workers are heavily exploited with poor wages due to a mass casualization of the workforce<sup>7</sup>. Even the living conditions of these workers is extremely bad, with poor sanitation in the colonies and exploitation by local landlords<sup>8</sup>. Due to a systematic weakening of the trade unions and constraints which prevent the unionization of casual workers, adequate checks cannot be imposed on the employers and contractors either, to provide social security benefits to the workers in a reliable manner<sup>9</sup>. Wages and working conditions in the non-agricultural informal sector which employs the bulk of the Indian workforce, and includes industries like construction, brick kilns, small garment units, domestic help, home based work in garments and beedi making, etc, are even weaker because of deficient regulations and which are also harder to impose in the informal setting<sup>10</sup>.

All these people have common needs, starting with better functioning of public services, to being able to get a fair wage without exploitation, get their due rights and entitlements, get policies working for them instead of against them, and lead a life of dignity for themselves and their families.

Unfortunately however, despite free elections at all levels – national/state/local – fulfilling these needs remains hard because of a complex mix of factors all of which stack up against the poor. Not being enough literate and aware, or empowered, they are often unable to directly approach government officials to resolve their grievances, be it related to NREGA wage delays or ration card problems in the villages<sup>11</sup>, or PF/ESI and minimum wage problems in the cities<sup>12</sup>. Agendas like improving the public health and education facilities are often sidelined in elections in favour of caste centric sops<sup>13</sup>, and local institutions are unable to hold officials accountable to ensure a good quality of service of facilities and schemes<sup>14</sup>. Furthermore, migrants from rural areas who settle in the cities for low paying jobs, lack a sense of community and solidarity to be able to stand up against poor working conditions and living conditions<sup>15</sup>, and neither are the weakening trade unions able to represent the workers to impose adequate checks and balances on the dominant neo-liberal approach in the modern Indian democracy<sup>16,17</sup>.

As a result, despite a clear understanding of the community needs, the solutions remain elusive.

## References and notes

<sup>1</sup> Anirudh Krishna, *The Broken Ladder*, 2017. Page 104 – adverse health events remain to be the largest factor because of which families fall into poverty. 60%-85% of households who fell into poverty in different states had one or more health episodes as important events in their history. Idleness, alcoholism, and drug addition, among family members in the household were not more than 5-7% of the reasons. Being able to provide a safety net to prevent families from falling back into poverty is just as important, as providing education, employment, and entrepreneurship opportunities to rise out of poverty. Over a 12 year period during the 1970s, studies showed that anywhere between 10-25% families escaped poverty but another 6-22% families fell back into poverty, resulting in an almost negligible net change.

<sup>2</sup> Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013. Despite rapid economic growth, India has not been able to reduce poverty drastically and its development indicators remain among the lowest. 43% of children under 5 are underweight (rank 15 out of the 16 poorest countries of the world), 48% are stunted (rank 13 out of 16 poorest countries), the mean years of schooling is 4.4 (rank 11/16), infant mortality is 47 and under-5 mortality is 61 (rank 10/16). Much of this is also concentrated in the states like Bihar, Jharkhand, Uttar Pradesh, Orissa, Madhya Pradesh, Chattisgarh, and Rajasthan, followed by states like Assam, West Bengal, Andhra Pradesh, Karnataka, and Gujarat. Many reasons contribute towards this. India only spends 1.3% of its GDP on health, as compared to a global average of more than 4% of GDP. The administration and delivery of facilities and services is problematic because of broken accountability loops and a largely uneducated population base. Social norms against gender equality and caste/class based equality make it harder for especially marginalized groups to gain access to services and schemes. Problematic design of many government schemes in an effort to achieve higher targeting of beneficiaries have instead led to the exclusion of deserving beneficiaries.

<sup>3</sup> Anirudh Krishna, *The Broken Ladder*, 2017. Page 87 – the need for decentralized networks of production and innovation, instead of centralized industrialization in a few urban centres only. Spatial inequality of industry location is in fact argued by many researchers as being the cause of spatial income inequality itself. History, national resources, human capital, local political economy, and culture, are all known to be contributory factors and areas which have favourable factors lined up are able to attract new industries more easily.

Dipak Mazumdar, *Employment and Inequality Outcomes in India*, 2010. India is also known to have an interesting “missing middle” problem in the distribution of the size of its manufacturing units – the bulk of the employment is provided in units with 500+ workers or in units with less than 10 workers. There are very few units with more than 10 workers to less than 500 workers, and is the industry’s response to labour laws which mandate several provisions in units with more than 10 workers. Employers have preferred to expand horizontally by setting up more and more small units, than integrate into single large units. This also has an effect on inequality because it reduces the workers’ motivation for skills formation – large units tend to employ highly skilled workers who can use automated machines, and are hence out of the league for ordinary workers; whereas the small units employ unskilled workers, and there is little to be gained from building further skills.

<http://www.oecd.org/employment/emp/45282802.pdf>

<sup>4</sup> Sanhati, *Overview of Coal Mining in India: Investigative Report from Dhanbad Coal Fields*, 2011. The number of permanent workers at CIL (Coal India Limited) has steady dropped from 700,000 in 1981 to less than 350,000 now. No casual worker has been made permanent since 1990, only the kin of permanent workers who died or suffered significant injuries at work have been given jobs. A casual worker is now paid less than 10% the wages of a permanent worker, for the same kind work.

<http://sanhati.com/excerpted/3798/>

<sup>5</sup> NCEUS, *Report on Conditions of Work and Promotion of Livelihoods in the Unorganized Sector*, 2007. Page 126 – based on NSSO 2006, unemployment of rural agricultural workers has risen from 9% in the 1990s to more than 16% in 2006.

[http://nceuis.nic.in/condition\\_of\\_workers\\_sep\\_2007.pdf](http://nceuis.nic.in/condition_of_workers_sep_2007.pdf)

<sup>6</sup> Kirankumar Vissa, *How Long Can India’s Farmers Subsidise the Nation*, 2017. Despite MSPs and various forms of electricity and fertilizer subsidies, farmers barely get a margin of 2-4% on their crop production. This has made their life incredibly difficult. Agricultural income is seasonal which makes it hard for farmers to maintain cash flows. Furthermore, the nature of agricultural production requires upfront investment for cropping and sees incomes only in bulk at the time of harvesting. This invariably requires farmers to raise debt, and any vagaries in the weather can significantly impact their ability to repay the debt and meet expenses.

<https://thewire.in/198485/farmers-protests-kisan-ki-loot-msp-fair-price/>

<sup>7</sup> Financial Times, *Is Contract Labour the Problem or the Solution*, 2012. A high level debate on need for casualization to meet seasonal changes in the employment need of manufacturing industries, versus exploitation by manufacturers. More than 55% of the workforce in the organized sector is on contract. Furthermore, the organized sector itself only employs 7% of the workforce in India. <http://cii.in/WebCMS/Upload/FE,%20CB-%2027%20july%202012.pdf>

<sup>8</sup> Gurgaon Workers News, *Proletarian Photo Story on Kapas Hera: A Working Class Dormitory Shanty-Town in Gurgaon*, 2010. Over 3,00,000 workers and families reside at Kapas Hera, out of which hardly 20,000 vote locally on civic matters. The original residents of Kapas Hera, ex-peasant families who own the land, now live in family houses and extract rental income from the workers. The workers who are mostly migrants from Bihar, are not permitted to procure food and grains from the designated PDS shops, and can only buy from the local merchants who are family members of the same peasant landlords, and control the living conditions of the local workers. <https://gurgaonworkersnews.wordpress.com/gurgaonworkersnews-no-927/>

Thomas Cowan, *Fragmented Citizenship in Gurgaon*, EPW 2015. Several neighbourhoods of Gurgaon are described including Kapashera and Chakkarpur, and how local farmers were enriched through sale of their land for construction, and used this income to build rental accommodation for migrants, but have managed to consistently avoid a headcount survey of their areas to avoid *Biharis* from getting elected as councillors. The migrants have reconciled themselves to leading a precarious life of exploitation, with no time to reflect on their collective state to question their rights as citizens. Middleclass and gated residential communities of professionals are also described, for whom public infrastructure provisioning has been extremely poor, and they have effectively become consumers of goods and services of global capital.

<sup>9</sup> Immanuel Ness, *Southern Insurgency: The Coming of the Global Working Class*, 2016. Page 86 – State Support for Indian Business, and the Decline of Unions. The Maruti incidences of 2000-2001 and then in 2011-13 are a startling example of the state working together with big capital to control labour unrest.

During the 2000-2001 period, the union representing workers at the Maruti Gurgaon plant protested for higher wages and resorted to tool-downs to make themselves heard, but Maruti managed to convince the state government about the illegality of these actions and resorted to a lockout until the workers agreed to a wage increase much lesser than what they had demanded. Further, the striking workers were penalized by cutting their wages for both the tool-down and the lockout periods. This succeeded in suppressing the ability of the union in collective bargaining.

Maruti later opened a new plant in Manesar where they resorted to a heavy use of contract labour. This helped the company keep their wage expenses low by resorting to rapid rotation of the contract workers to minimize their compliances, and also keep the permanent workers in check by not growing their number at the threat of increasing the extent of casualization. The contract and permanent workers realized therefore that they needed to work together, but their efforts at registering a union were denied because again Maruti managed to convince the state government that they already recognized the regular union and the same workers could not be a part of multiple unions. Maruti then resorted to the same techniques as earlier of a lockdown and fetching replacement workers, including some from their Gurgaon plant, to keep up the production. The workers eventually gave in, but protests again started when Maruti refused to allow the contract workers who had participated in the protest to continue working at the factory. They were eventually reinstated but the company forced several union functionaries to take a voluntary retirement. After this setback, the workers eventually in 2012 managed to get a union registered which also included the contract workers, but Maruti refused to negotiate with the union. Relations worsened with an altercation in the factory, after which Maruti brought in bouncers to keep discipline in the factory, and incidences of violence soon broke out which resulted in the death of an HR manager. This let loose the entire force of the state, police, and the company, with over 500 workers being issued arrest warrants, 150 of whom are still behind bars. The Gurgaon police has supplied a dedicated regiment of 500 officers now permanently stationed in the area to maintain security.

<sup>10</sup> Minimum wage, working conditions, and social security protection for informal sector workers is very poor and fragmented across different employment segments. Problems arise right from the identification of workers where only some segments like for domestic workers in urban areas, or street vendors, has seen action in recognizing workers through identity cards, to mechanisms to give social security protection through welfare boards where the debate continues on ways to raise funds either through a cess on the industry or the entire population. <http://www.wiego.org/sites/default/files/publications/files/Sankaran-Legal-Policy-Tools-Workers-India-WIEGO-LB1.pdf>

Migration, no proof of work, poor awareness, etc are usual problems due to which even available welfare funds for building and construction workers has in fact gone unutilized, and arguably spent wastefully.

<https://www.thequint.com/news/india/labour-welfare-money-remains-unspent>  
<https://www.outlookindia.com/website/story/rs-29000-crore-fund-meant-for-construction-workers-spent-on-buying-laptops-revealed/303946>

Initiatives to give a universal identity card (UWin) to informal sector workers has also gotten somewhat derailed because of an insistence to now only use Aadhar.

<http://www.thehindu.com/business/Economy/pmos-no-to-smart-cards-insists-on-aadhaar/article8455652.ece>  
<https://www.thequint.com/voices/blogs/aadhaar-link-boost-informal-labour-market>

<sup>11</sup> Dipanjan Chakraborty, et al, *Findings from a Civil Society Mediated and Technology Assisted Grievance Redressal Model in Rural India*, In Proc. ICTD 2017. Section 3.1 – Feedback on government grievance redressal helplines. Section 3.2 – Offline civil society systems. Only 50% of people who faced problems with government schemes, used helplines and other redressal channels. About 50% of them had their problems redressed, but only 10% of this redressal happened through helplines – the remaining 90% of the redressals required help from social workers, or an in-person visit to the block or district officer.  
<http://www.cse.iitd.ernet.in/%7Easeth/civilsocietygrievanceredressal.pdf>

<sup>12</sup> Faridabad Mazdoor Samachar, *Minimum Wage: The Real, The Legal, The Actual*, 2016. Despite over time, the wages being paid across factories in Delhi NCR in automotives, leather, garments, textiles, electronics, chemicals, and to security guards, are less than the legal minimum wage.  
<http://tnlabour.in/automobile-industry/3834>

Our own work in Delhi NCR has revealed several problems like workers not being given payslips or any proof of employment of any kind, which they can use to trace their PF deposits. Employers often do not cooperate to sign forms for withdrawal of PF, especially if the workers leave the job in a few months, and for which a significant reason is simply the workers getting paid low wages, not getting paid for overtime, and poor working and living conditions, which force them to try and find better places to work or possibly even give-up and head back to their villages. Several worker stories from the Gurgaon area are also available here:

<https://gurgaonworkersnews.wordpress.com/gurgaonworkersnews-no8/>

<sup>13</sup> Devesh Kapur, et al, *Sisyphian State? Why Poverty Programs in India Fail and Yet Persist*, In America Political Science Association, 2007. Government schemes are designed cleverly at the local level to build vote banks and for private transfer of wealth, while general public welfare schemes are ignored. The people themselves are not aware of the provisions under these general schemes, and with no strong historical precedents of success either, the people expect little political credibility in any case to demand accountability. <https://casi.sas.upenn.edu/sites/casi.sas.upenn.edu/files/iit/Kapur%20et%20al.pdf>

K P Kannan, *Corporate Capitalism in the Name of Social Security*, EPW 2015. Even central schemes are argued as favouring corporate capitalism, such as in the insurance space, or an encouragement to people to move their investment from the EPF (Employee Provident Fund) which is invested primarily in government securities and debt instruments, to the NPS (National Pension Scheme) which is invested in the equity markets.

<http://www.im4change.org/siteadmin/tinyMCE//uploaded/KP%20Kannan.pdf>

<sup>14</sup> Decentralization of various local government functions has long been argued as the way forward for context dependent delivery of services and governance. However, the lack of skills among elected representatives at the panchayat level has been a deterrent and no state other than Kerala has advanced enough on these lines. An intermediate solution suggested especially in the health context has been to leverage the Panchayati Raj Institutions to monitor the performance of service delivery, even if the actual implementation and finances remain under centralized control at the district or block level or within different government departments. Although various mechanisms have been proposed towards this, such as the constitution of Village Health Committees and to use the Gram Sabhas to exercise this role of oversight, but the implementation has remained weak so far.

The World Bank report outlines the need for this intermediate route, and the [NRHM document](#) discusses this in more detail.  
<http://documents.worldbank.org/curated/en/108011468042305807/pdf/369641SDP9801web.pdf>

NRLM as well highlights the role that the PRIs can play in beneficiary identification.  
[http://www.nird.org.in/nird\\_docs/nrlm/nrlmhandbookconvergence050716.pdf](http://www.nird.org.in/nird_docs/nrlm/nrlmhandbookconvergence050716.pdf)

However, the implementation remains weak, as evidenced in the report on the poor functioning of the Village Health and Nutrition Days:

[http://cks.in/wp-content/uploads/2015/07/VHSND\\_Labnote.pdf](http://cks.in/wp-content/uploads/2015/07/VHSND_Labnote.pdf)

<sup>15</sup> Shankar Ramaswami, *Towards Autonomous Transformations: Themes and Activities of a Radical Proletarian Newspaper in North India*, Published in Asharani Mathur ed, *The Indian Media: Illusion, Delusion and Reality*, 2006. FMS believes in workers gaining a collective consciousness and an ability to work together which it calls *talmel*, and accordingly gears its editorials and poetic narrations that reflect the lives of the workers, working conditions in factories, self-imposed disempowerment by the workers themselves when they choose to sit on the sidelines as “spectators to their own slaughter”, divisive techniques adopted by them to compete with each other which ultimately leads to greater exploitation, the *tamasha-giri* of news, and other contradictions that form the lives of workers.

<sup>16</sup> Siddharth Varadarajan, *The Crisis of the Indian Workplace*, India Seminar, 2015. There is deepening influence of the corporate sector on policy formulation especially on environmental norms and labour reform. The control is exercised through political funding which remains non-transparent, and through lobbying networks of large industry associations.

[http://www.india-seminar.com/2015/669/669\\_siddharth\\_varadarajan.htm](http://www.india-seminar.com/2015/669/669_siddharth_varadarajan.htm)

<https://svaradarajan.com/2014/03/27/the-cult-of-cronyism/>

The introduction of electoral bonds makes it even easier for companies to contribute anonymously to political parties, and can make it harder for opposition parties to raise funds.

<http://www.thehindu.com/opinion/op-ed/the-danger-of-electoral-bonds/article20602008.ece>

<sup>17</sup> Law is designed in a way to make it even harder for workers to protest, the laws for trade unions being a case in point. Extra-legal mechanisms are therefore often used to build social movements and militancy, to get things done. Ambedkar's *educate-organize-agitate* method seems to be getting more common now, according to Colin Gonsalves, the founder of HRLN, who despite being an advocate himself strongly believes that law is oppressive and that social movements that enable people to take the law in their own hands are the only way forward.

<https://barandbench.com/colin-gonsalves-interview-part-1/>