

The Political Economy of Labour Law Reforms-Part II

The Agenda of Labour

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To clearly understand the challenges of the labour movement created by the neo-liberal politico-economic regime we need to understand the problems in totality and not in detached parts, because it's all aspects are linked to each other and are part of an integrated system. We cannot understand, for example, the issues of labour law reforms in isolation with the new global politico-economic regime imposed by WTO, a political arm of the transnational capital. This regime is targeted to transform the political economy of all developing countries in such a way that: a) it facilitates the transfer of ownership and control of all national resources in to the hands of national and foreign corporations, b) everything (from nature to human emotions) is commoditized, privatized and converted in to a source of profit, c) all the hurdles on the way of profit maximization are removed and super-profits are ensured to the transnational capital. This system operates by imposing a new international division of labour shaped in the global value chains and a new economic development model based on FDI and export led growth. The new international division of labour is such that almost all labour intensive operations across the industries and services are transferred from developed to developing countries and the global value chains are shaped in such a way that transnational corporations control the whole economy and capture the major share of profits generated in whole economy by way of their financial power, monopolistic control on crucial technologies and monopoly on markets. Huge proportion of industries generally work for the transnational corporations and are compelled to compete with each other to ensure super profits to TNCs and that largely amounts competing with each other in more barbaric exploitation of labour. The developing countries are compelled to compete with each other to get greater share of FDI and export orders and this lastly takes the form of a war against its own people, its own working class. Only in the above background we can understand the significance of ongoing drive of privatization of industries and services and opening them to foreign multinational on the one hand (for example, railways, defense, power supply, transport, education, health and sanitation, education and even the social security), and reducing the government expenses on public welfare and subsidies, informalisation of labour and labour reforms on the other. The new policies including the policies of regional economic integration like formation of SAARC and SAFTA, and national policies like National Health Policy 2002 (and further developments), National Water policy 2012, Special Economic Zone Policy 2005, National Manufacturing Policy 2011, National Policy on Electronics 2012, new land acquisition policies, National Pension Policy 2006, Unorganized Workers Social Security Act 2008 etc. along with new labour policies and the agenda of labour reforms are all integrated part of a system attempted to be institutionalized in accordance with the new global politico-economic regime. The workers are impacted and disempowered by all these policies. For example, privatization led to mass unemployment and aggravated the problems of social exclusion (no reserve space in private sector for dalits and tribals) as well as reduced the strength and power of trade unions. It is interesting to note that the public sector still accounts for a large portion of

membership of trade unions in formal sector, and with privatization of public sector industries and services (for example railways, roadways, mines, power, water supply, health and sanitation etc) accompanied with informalization of workforce, there may be a further decline in the union membership in formal sector, and overall decline in strength and power of trade union movement. Moreover, the problems created by large scale land acquisitions and mass displacements, and the general crisis of self employed producers/workers and of home based workers are also not isolated problems. On the one hand, their crisis is completely linked with the new global politico-economic regime and on the other hand, improvements in their living and working conditions are not only important for them but also for increasing the collective bargaining power of labour in general. Greater the proportion of poor and vulnerable section of the self-employed workers, the greater is the reserve army of labour putting downward pressure on wages and greater is the competition among workers for the jobs. Therefore it drastically reduces the organized strength, unity and collective bargaining power of labour in general. The political power and influence of workers is an important factor determining its collective bargaining power. The political power of workers depends on a) organized workforce and unity between various sections of workers including wage workers and the self employed, and b) existence of stronger political platforms of workers able to influence the policies. With increasing marginalization of workers in the politics, their collective bargaining power decreases drastically. This is to be clearly emphasized that addressing the issues and problems in isolation of the system or politico-economic regime that breeds the problems, many times leads us to put forward such solutions and demands that create new problems and actually many times detrimental to the cause of workers in various ways.

It is worth emphasizing that the people and their wellbeing are supreme in any democratic country and this is the main demarcation line between a feudal monarchy and a democracy. It is the people of the nation who are the owner of all resources of the nation and it to be used only for the wellbeing of the people. It cannot be used to benefit the foreign companies, and it cannot be used in way detrimental to the people's interest. Such industries and production practices can be forcefully stopped if they are against the wellbeing of the people. Private owners may be considered only the holders of wealth in a way that does not violate the above principals. Both land and industries can be acquired by the government (as representative of people) any time if it is required in the people's interest. With rise of huge economic monsters in the society who also effectively control the politics and the government, these principles stop operating and it also diminishes from the people's consciousness. Without bringing it back in the consciousness of workers and their movements and enforcing it in practice, it is not possible to bring any important change in the life of workers.

In a capitalist democracy where larger part of national wealth and resources are transferred in the hands of few corporate by dispossessing the people, right to sustainable livelihood and right to association and collective bargaining are the only weapons in the hands of workers to fight for the social justice. Therefore our struggle for right to sustainable livelihood and unfettered rights to organize and collective bargaining are actually the struggle against barbarism and for building a democratic and civilized society.

The liberalization and globalization is bringing all sorts of uncertainties. Sustainability of development and jobs created by foreign investments are uncertain; job security at workplace is uncertain, incomes in traditional occupations are uncertain, incomes in agriculture has become highly uncertain, even the life is always in uncertainty due to increasing number of environmental disasters, drastic increase in occupational health and safety problems, increasing number of epidemics caused by new diseases and drastic increase in crime and accidents. The liberalization is consciously and unconsciously throwing everything in uncertainty to ensure certainty of profits to the capital; promoting casualization in every sphere of life to ensure sustained profits to the capital. Now everything is becoming casual-jobs, incomes and even the social relations. In the neo-liberal market economy a barbaric competition is imposed in every sphere. The nations are compelled to compete with each other for FDI and export orders, industries are compelled to compete with each other to get work orders and workers are compelled to compete with each other to get jobs. In all these competitions, the winners are always the transnational capital and the sufferers are always the workers and people at large, because competition between industries always takes the form of cutting the labour cost means exploiting more and paying less to the workers, competition among nations always take the form of amending labour laws to ensure sustained supply of cheap and vulnerable labour force and measures to 'discipline' labour. Moreover, market has already abolished the so called asiatic community life based on mutual cooperation and the safety covers offered by joint family and the community. The fate of every individual is now controlled by the market, and the market teaches everyone to care for only him or herself and survive or perish on his/her own alone without getting any support from anyone. The vulnerabilities of the people are increasing the extent that large numbers of poor people are compelled to opt for suicides. In one decade from 1997-2007, more than 182936 suicide deaths were reported mainly of small-marginal farmers in India. Moreover, a large numbers of suicide incidents by industrial workers were also reported, including the hundreds of such incidents by garment workers in Tirpur. Does it not resemble to the age of barbarism? It is certainly different, since unlike the age of barbarism, this is unimaginably higher stage of development with problems of overproduction rather than scarcity and also unlike the earlier, it is well planned and systematically imposed by the corporate capital for profit motives. Therefore, we can call it the age of modern barbarism. It is in this background social security emerges as one of the most important issues of the working class movement today. Without a certain level of social security ensured as enforceable right of all the people, the right to collective bargaining actually loses its meaning.

With the above dynamics in mind, we may discuss the nature of challenges that the working class is facing and the possible strategies to change the realities.

1. The Model of Economic Development

The model of growth based on FDI and boosting exports is in overall terms the violation of principles of democracy which declares that the people of the nation collectively own all resources and wealth of the nation and it cannot be used to benefit the foreign people, and it

cannot be used in a way that is against the interests of the people and in any way detrimental to their wellbeing. The following aspects emerge as major issues of concern:

- i) The export led growth model is facilitating the transfer of wealth from this country to other country by way of: a) Giving control and ownership of land and other natural resources to foreign investors at throwaway prices, b) Tax exemptions to the foreign investors, and c) major share of profits produced in the country is captured by the foreign investors by controlling the global value chain
- ii) Export led growth strategy violating the rights of the people by: a) mass destruction of livelihoods and mass displacements due to large scale land acquisitions for the industry, b) establishing large number of special economic zones and manufacturing zones (including other export oriented industrial units) in such a way that they practically appear as foreign enclaves, they are provided tax exemptions, exempted from custom duties, and also put outside the purview of the law enforcement machineries of the states where they are located
- iii) An anti-people and anti-labour character is inbuilt in the export led growth model and it has no concern for the wellbeing of the people, its customers are foreign people so it cares only for them, and as it has to reduce its costs consistently under the pressure of foreign customers, it behaves brutally in terms of exploitation of labour and natural resources. The huge majority of the industries that work as subcontractors at various levels in the global value chain has largely no collective bargaining power with the foreign multinationals and huge national corporations and works completely on their dictates and actually behaves like slaves and in turn it creates slavery like conditions for the labour. On the other hand, the finance capital owned by foreign multinationals and huge national corporations that controls the whole production and global value chains have no direct linkage to the factors of production-labour and natural resources, and so also do not have any concern for them and the workers have no reach to them and so no ability to directly affect them. This brutal situation is reflected in rising occupational health and safety problems and increasing problems of environmental pollution and natural disasters. According to ILO estimates, around 403,000 people in India die every year due to work-related problems, i.e. more than 1,000 workers every day or 46 every hour die due to occupational health and safety problems. The current burden of accumulated occupational diseases in India is estimated to be at around 18 million cases. The share of dirty industries in total FDI in India was 51 percent in 1991-2000. The pollution content ratio of India's trade increased from 0.480 in 1985 to 1.38 in 2000. Only in three years between 2006 and 2009, the number of hazardous industries increased many folds and the number of workers employed in hazardous industries increased from 324437 to 1949977. (Pratap 2012)¹

¹ Pratap, s. (2012). Corporate led Globalization aggravating the problems of occupational Health and Safety, Centre for Workers Education, New Delhi; <http://workerscentre.wordpress.com/>

- iv) WTO regime which controls and dictates the whole political economy of export led growth has created a situation where in the democracy is reduced to only a formal democracy. Since the WTO and other such international institutions have captured the power to make and enforce legislations at international level, the role of national governments elected by the people is reduced to facilitate the implementation of the WTO regime. In such a situation people can elect the government, but if the government does not dare to say good bye to WTO, it cannot fulfill the wishes of the people. This situation is also making the governments more authoritarian, unable to address the concerns of the people, the governments are either engaging in large scale populist propaganda to control the discontent among the people or resorting to large scale repressions.

This is clear from the above that without saying good bye to WTO and export led growth, and without establishing a more pro-people, pro-labour national and global politico-economic regime, all round qualitative transformation of life and working conditions of the workers cannot be achieved. However, this cannot be achieved overnight, and therefore this can be long term political goal of the working class. But to achieve continuous improvements in the life and working conditions and to increase the collectivity and collective bargaining power of workers the labour movement have to frame its strategies in given conditions and given realities, in such a way that helps it in moving towards achieving its long term objectives.

2. Transforming the Working and Living Conditions of Workers

In support of the export led growth generally large scale propaganda is done that this is the only way to create employment opportunities. However, on the one hand the results of the export led growth has clearly shown that it has destroyed more employment than created (destruction of traditional occupations and industries), and actually it transformed the whole employment in to unsustainable precarious employment (informalisation of workforce); and on the other hand, this whole logic does not fit to Indian realities. In India huge proportion of workforce is self employed, and increasing intensity of unemployment is created by crisis and vulnerabilities of various self employed occupations and destruction of traditional occupations and industries. The real strategy to fight against unemployment may be to help and extend support to the self employed workers to make their livelihoods sustainable. This strategy may not only reduce the intensity of unemployment but also bring multifarious positive impacts in the economy as a whole in terms of expansion of markets for industrial goods and thereby promoting industrial growth and creation of new employments, as well as increasing the collective bargaining power of labour by reducing the reserve army of labour. This strategy demands for initiatives in the nature of:

- a) Land reforms by way of redistribution of land to increase the average size of land holdings of small and marginal farmers and provide land to landless workers. Extending and broadening the rights of self employed producers and communities on the resources on which their occupations are based, for example right of fish workers on water bodies and

right of forest workers on forests etc. Promoting and extending support for integration of small and marginal farmers and other self employed producers (fish workers, forest workers, pottery workers, handloom workers etc) in organizations like cooperatives, and extending subsidized inputs to them to reduce the cost of production and providing an institutional mechanism to increase their collectivity and collective bargaining power

- b) Promoting and extending support for integration of other self employed workers engaged in various kinds of services in organizations like cooperatives, to reduce their operational costs, to make them able to benefit from economies of scale, and providing an institutional mechanism to increase their collectivity and collective bargaining power and be able to regulate their services
- c) Promoting and extending support for integration of home based workers engaged in various industries and providing an institutional mechanism to increase their collectivity and collective bargaining power to be able to compel the national and international companies for whom they work, to insure better wages and working conditions for them

Accompanied with the above initiatives, the labour reforms are needed with a wider perspective to improve the living and working conditions of all workers and reduce the uncertainties and vulnerabilities in various occupations:

A new labour legislation system needs to be instituted with five labour laws:

- a) Labour Relations law
- b) Working Conditions Law
- c) Wage (determination, increment and payment) Law
- d) Social Security Law
- e) Welfare Cess Law

These laws must be simple and with universal applicability of their provisions in all occupations and to all workers without any exception. There may be differences in how and in what form various provisions can be implemented in various industries, for example, if there is only one female worker in a factory, on this ground it cannot be argued that the provision of crech cannot be applicable to such factory, there may not be in-house crech facility, but the employer must be liable to pay to the women in need the real expenses of putting the child in a day care. Another example may be of canteen and subsidized food, if there is only one workers with an employer, it cannot be argued that this provision may not apply, there may not be in-house canteen facility, but the employer must provide subsidized food and drinking water to the worker and a safe and clean space for dining.

No exemptions and no self certifications under labour laws may be allowed in any case. The labour law enforcement machinery must sufficiently staffed and equipped with facilities and powers to insure labour standards. Labour adjudication machinery must also be sufficiently staffed to stop the dynamics of delay in justice practically meaning no justice. A public

charter for labour law enforcement machinery and labour adjudication machinery must be declared providing a clear-cut time frame for taking action on complaints and deciding the cases filed by labour.

List of hazardous substances and hazardous industries must be updated and an institution and a simple and clear procedure must be made for claims to include new hazardous substances and industries. Similarly list of occupational diseases must be updated and institutions and clear procedures must be made for claims to include new occupational diseases.

The employer-employee relationship must be ensured to all workers except for casual workers engaged for less than a week. If any worker is engaged by any employer for more than 5 days in a month, there must be a formal employment relationship and engaging workers without any formal contract must be considered a crime inviting severe punishment. The labour relations law needs an explicit direction that the proportion of regular workers can never be less than 90 percent of workers. Engaging workers through contractors or agencies may be completely prohibited. Temporary workers (who may never form more than 15 percent of the workforce may be engaged with short term contracts of 3 months to a year, or project based contracts, and as casual workers engaged not more than 8 hours in a week and 5 days in a month. Apprentices must be considered as workers with short term contracts for all practical purposes and must be extended all social security and labour rights including right to association and collective bargaining. There must be compulsory provision for a severance payment equal to one month's wages to all workers engaged with short term contracts including apprentices, if they are not absorbed as regular workers and thrown out after expiry of their contracts.

It is worth mentioning here that large scale propaganda of employers on need for flexibility of labour force is a farce for most of the industries, including auto industry and electronics. The OEMs, 1st tier and 11nd tier industries that make the formal sector in these industries generally employed same number of total workers including contract workers and there was no change in the workforce if there was no expansion of business.² There were very rare instances when around 10 percent workers were discontinued. This much flexibility can be easily managed and covered by the lay off and by paying the workers lay off wages for such periods. In lower ladders of the value chain particularly in small scale industries there are more instances of fluctuations of employment, but this is not due to any slump in the industries but systematically created by the OEM and 1st tier industries. They do not make any formal long term relationship with these small scale vendors and they actually list multiple vendors for same products and keep on shifting their orders from one to another

² During a study done by me on informality in automobile industry, HR persons in majority of factories interviewed accepted this fact and only one or two reported only one incidence in last one decade when around 20 (contract) workers (out of total workforce of 250-400 workers) were discontinued for some period

vendor in order to intensify competition among them and compel them to accept lower prices. Therefore, this situation is due to lack of any laws and lack of any collective bargaining power of small scale units to compel the larger companies to make long term formal relationship with small scale suppliers. The issue of flexibility emerges as a serious problem only in the sectors where orders fluctuate drastically, for example in garment sector. However, if we look at the picture in totality, this also emerges as a systematically created problem by the foreign garment brands and they are also using the same strategy of having multiple suppliers at various locations and they keep on shifting their orders from one location to other in order to intensify competition among supplier companies in various locations and compel them for cost cutting and accept lower prices. It is ironic to see that small-small factories work for 5-10 transnational brands with small-small amounts of orders, and the orders may be very high for some periods and very low for some months. In such situations, the workforce also keeps on fluctuating. However, the fluctuations in the workforce are generally never more than 30 percent. But the employers in garment industry run with almost completely flexible workforce, and this is not based on operational requirements but targeted only to reduce the labour costs and increase their profit margins. Moreover, it is also observed that many times the brands do not revise the prices for years even if costs are increasing and the suppliers dare not raise a strong voice in fear of losing the orders. In such situations, the suppliers further intensify the exploitation of workers, to maintain their own profit margins.

The above situations demand that the labour relations law must include a section on outsourcing and responsibility of insuring labour standards across the value chains, with clear provisions for: a) Brands or other 1st and 2nd tier customer companies must make yearly contracts with supplier companies (rather than only order based contracts), and the cost of total orders in a year must include (apart from the cost of other factors and profit margins of suppliers) total cost of wages, social security contributions, cost of occupational health and safety, layoff wages and severance payment to workers if the orders are discontinued after a year (in case the supplier company is working for multiple brands and other customer companies then the above total cost may be distributed among them accordingly); b) the above cost breakup of the work orders showing the component of wages must be declared by the supplier companies on their website so that accountability can be insured, and in case of violations the brands and suppliers can be made responsible and punished; c) The law must clearly state that the brands and other customer companies, whether national or foreign, are equally responsible for ensuring compliance of labour standards across their value chain and share its costs, and in case of any violations reported in their value chains the brands may be made equally responsible and punished. These initiatives may make it feasible to engage 90 percent of workforce as regular workers in those industries as well where the work orders keep on drastically fluctuating. This law may remove the vulnerabilities of the supplier companies as well as the workers engaged in them. Moreover, this will end the space for excuses by suppliers for non compliance of labour standards and for engaging large number of unreported workers and actually robbing their

life. In overall terms this will increase the collectivity and collective bargaining power of workers in particular industries.

The wage law must contain clear criteria for determination of minimum wages, annual increments and mode of payment and this must be same and apply to all wage workers and home based workers, without any exception. This must be made mandatory to provide a proper wage slip to all workers showing all payments made in a month including the overtime wages (except casual workers engaged for not more than 8 hours in a week and 5 days in a month). The current criteria on minimum wage determinations includes: i) 3 consumption units for one earner, ii) Minimum food requirements of 2700 calories per average Indian adult, iii) Clothing requirements of 72 yards per annum per family, iv) Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme, v) Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total Minimum Wages, vi) Children education, medical requirement, minimum recreation including festivals/ ceremonies and provision for old age, marriage etc. should further constitute 25% of the total minimum wage, vii) Local conditions and other factors influencing the wage rate. It is necessary to revise this criteria to consider 4 consumption units in place of three, to consider the actual rent of a two room flat or equal to at least 30 percent of wages, the cost of children education, medical etc may also be revised to make it 30 percent of wages, and to include one more component: viii) travel and communication. The law of wages must clearly declare that the minimum wages apply to only on workers without any work experience. After an experience of six months their wages must cross the minimum wages and they must get an increment and further years of experience must be reflected in their wage increments. Dearness allowance must be added in their wages in every six months. The procedure of determination of wages must be transparent and wages so fixed must be declared with their detailed break up to enable the workers to see whether allocations to all factors are properly considered. The Minimum wages act as it exists currently, does not clearly define the categories of unskilled, semi-skilled, skilled and highly skilled workers and therefore it depends on whims of employers to put a worker in any of these categories. The new wage law must clearly define these categories, for example: a) Unskilled: Non ITI fresh workers without any experience; Semiskilled: Non ITI Workers with one year experience in any factory in same industry or related industry; Skilled: Workers with Fresh ITI degree and no experience or Non ITI workers with two years experience; Highly skilled: Workers with ITI degree and one year experience or non ITI workers with three years experience. Minimum wages of any of these categories must be 30% more than the preceding skill category. Even if only the government accepted criteria of determining the minimum wages is followed transparently, the minimum wages in any part of India and in any sector may not be less than Rs 15000 per month, however, the minimum wages declared by the governments are nowhere more than 10000 per month, and in most states it is less than 6000 per month.

Home based workers working for companies may be treated as wage labour for all practical purposes and must be part of industry wide collective bargaining in particular industries.

The labour relations law must contain a provision for compulsory collective bargaining at industry and/or unit/company level, and for an automatic registration of a trade union after filing an online application. There may be a provision that registrar of trade unions may challenge and file a case for cancellation of registration if he/she finds some problems in the application. The problem of multiplicity of trade unions may be resolved by a compulsory provision and clear procedures for election of a collective bargaining union and collective bargaining councils. The problem of weakness of unions in small and medium sized industries may be resolved by a compulsory industry wide collective bargaining. There must be no limit of size of industries for applicability of industry wide bargaining.

The Social security law must be universally applicable and it must contain two aspects:

- a) Basic social security for reducing and stopping the contingencies
- b) Contingent social security to address the contingencies

There are about five broad categories of workers: i) wage workers including home based workers with formal contracts, ii) wage workers without formal contracts or with short term formal contracts, Casual workers and unemployed workers, iii) Self employed producers; iv) Self employed workers engaged in various services and v) those retired from the workforce, unemployed youth, those with disabilities and orphans. The social security structure of various above categories must be same, however, there may be specific provisions for specific occupations depending on the need and nature vulnerabilities and contingencies of the workers, and benefits may vary with the level of contributions of workers. However, in any case the social security contributions may not be less than that applies to a wage worker earning the minimum wages. In case of regular wage workers, the contribution of workers may be totally deposited by the workers themselves, but in case of other workers, the workers may be required to contribute a minimum amount and the rest may deposited by the welfare boards in particular sectors. The employers' contribution in such sectors may be ensured by way of extending welfare and cess act in all the sectors and that may be the major source of funds of the welfare boards.

For wage workers (including home based workers) with formal employment contracts, the basic social security may be insured by compliance of labour standards and ensuring right to association and compulsory collective bargaining. The contingent social security may also be effectively addressed by extending applicability of employees state insurance (ESI), provident fund (PF) and workmen's compensation and other related laws to all wage workers irrespective of size of establishment, and making it compulsory for all enterprises irrespective of their size to take permission from the government before attempting to retrenchments, closures and layoff, and the amount of compensations may be increased.

To address the social security needs of other sections of workers including wage workers without formal contracts or with short term formal contracts, casual workers and self employed workers, Separate welfare boards based on occupations may be created in line with Fish workers welfare board in Kerala and Mathadi Workers welfare board in Maharashtra, depending on conditions in particular occupations. The boards may be tripartite in nature and financed by contributions of employers, workers and the government, with major share coming from industrialists, traders and other business houses in particular sectors based on progressive taxation. The basic social security extended by the welfare boards must focus on: a) regulating the labour market and working conditions of wage workers and home workers, with a similar dynamics as created by Mathadi board in Maharashtra, and b) regulation of market relations of self employed producers including home based workers with traders and industrialists to insure proper remuneration to workers, c) Ensuring ESI and PF contributions for all workers including the self employed at the level applicable to wage workers earning a minimum wage, from the welfare fund collected by d) helping and supporting the self employed workers in making their livelihoods sustainable, and e) enhancement of skills of workers and education to their children. of workers. The contingent social security may cover those contingencies that are not covered by the ESI, for example, intermittent period of unemployment of wage workers, and losses incurred by self employed producers due to accidents and natural disasters etc. Extending applicability of PF and ESI to all occupations and all workers (including the self employed) by way of welfare boards may significantly improve the life of workers in terms of better health facilities, wages during illness and maternity benefits, and better pensions etc. Therefore, a greater focus is needed to improve the facilities and expand the networks of ESI hospitals in all areas in accordance with the population of workforce.

In the light of the above, the PF and ESI gets an added relevance, and it becomes urgent to strongly oppose the new policies of government targeted to privatize the health insurance and pension schemes and handing over the pension and PF funds to private fund managers for earning profits. The new pension scheme based on defined contributions but no defined benefits must be abolished and the pension scheme based on defined benefits and family coverage must be restored. The PF and pension funds must remain in the hands of tripartite boards and used to finance the cooperatives of workers in various occupations, rather than making it a source of profit for national and foreign corporate.

The welfare and cess act must be made applicable in all occupations to ensure the contributions from industrialists, traders and other business houses in particular sectors for financing the welfare boards of various sectors.

3. The Strategies for Strengthening the Labour Movement

The new situations created by the new global politico-economic regime and new international division of labour have expanded the arena of work of the labour movement and demand new

strategies of the movement to work in wider horizons and address the new tasks. We may highlight the few important aspects briefly to indicate the wider horizons and new tasks:

- a) With the integration of Indian industries in the global value chains, it is increasingly becoming evident that solidarity across the value chain in particular country and international solidarity across the value chain in particular industries is an important determinant of the strength and effectiveness of the struggle. The international solidarity is the one of the most effective weapon in the hands of working class to challenge the disastrous movements of the capital. However, in a situation when the weapon of international capital mobility is increasingly used to divide the workers on nationalist lines, both in developed as well as developing countries. A false consciousness is systematically created in workers to make them understand and articulate the issues on nationalist lines, in a way as if workers in various countries are competing with each other for jobs. But, with all the limitations, the international solidarity among workers is an increasing trend.
- b) With global value chains extending up to self employed workers and home based workers, it is a compelling need to expand the organizational base of unions to these sections of workers and institutionalize a practice of industry wide collective bargaining that includes these section of workers as well. This will also require, as well as facilitate the trade unions to expand their bases in the society and develop concerns and address the issues that the workers face in the society. Moreover, the trade unions need to transform their structure and functioning to provide insured spaces for voices of women workers and other socially excluded sections, in order to strengthen the unity among the working classes. Institutionalizing the practice of industry wide collective bargaining will bring a dynamics that may effectively stop any tendencies of corruption in unions and wipe out those unions that are transformed in to professional consultancy firms (particularly in those sectors where informal workers form a majority and factory level unions do not exist), along with gradually insuring a better space for factory level collective bargaining beyond the minimum standards set by industry wide bargaining.
- c) The organizing and collective bargaining was comparatively simpler when the industries were largely local and producing largely for home markets, and self employed sectors were largely the subsistence economies. With integration of economies in global value chains, and emergence of other related dynamics, it no more remains a simple case. For developing successful organizing and collective bargaining strategies in new conditions, the activists need to understand the dynamics of global value chains in their particular sectors, and related politico-economics dynamics. Without an exposure and linkage with the broader labour movement at country level, and at international or at least regional level, it is impossible to build sectoral and international solidarity that becomes important for winning the struggles in new situations. Therefore, training and education of activists, as well as providing them exposure to regional labour movements emerges as an important area of focus for the labour movement
- d) Increasing corporatization and monopolization of media and their systematically built anti-labour agenda has created a situation where in the labour becomes invisible, and their actions are by and large made ineffective. For example, in series of general strikes after 2000 in India millions of workers participated, in many labour demonstrations tens of thousands of workers marched in the capital city of Delhi, but media never provided them a significant space, and many times completely ignored, reducing the effectiveness of labour actions to

the extent that majority of population even did not know about it. In these situations, it is becoming increasingly important for labour movement to create its own national media

- e) This phase appears as most aggressive phase of capitalism wherein the capital is not ready to accept any barriers of any kind that restricts/blocks the expansion and accumulation of capital. In absence of any effective political opposition from the workers, the state appears to be fully transformed in the corporate agent rather than a neutral agent. In the given situations any broader change in life and working conditions of workers is not possible without the political role of workers in every sphere of life and strong political power of the working class. Moving towards this direction requires initiatives including i) merger or building united platforms of trade unions in particular industries (even with maintaining their affiliation with various central or state unions), ii) a political platform of labour with a common minimum program by integrating all trade unions and other working class organizations, iii) demanding representation of largest worker's organization in all relevant policy making/implementing bodies at all levels-central, state, district and local bodies by way of verification of membership of all organizations submitting membership returns at all levels (and not only of central trade unions as is currently done). Integration of workers movement and its emergence as political force also depends on its ability to resolve the political and ideological crisis that the working class movement is currently facing, and be able to propose a working class agenda with comprehensive set of alternative policies and strategies.
- f) The political integration of labour movement and practicing a mass movement model based on Sangharh and Nirman (struggle for rights and building social and economic institutions to transform the life and work of workers in such a way that increases the collective consciousness of workers, reduces the pains of their life, as well as increases the sustainability of their livelihoods) as successfully experimented by Chhattisgarh Mukti Morcha in the leadership of Shankar Guha Niyogi, may be the major aspects of the future model of the labour movement. These strategies provide enough strength to resolve various problems (including the socio-political, organizational and financial problems) that the movements are currently facing.