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Title: Shri Gurudas Dasgupta called the attention of the Minister of Labour and Employment to the situation arising out of Large scale Retrenchment, Lay-offs, Wage cuts and Withdrawal of Statutory Benefits of Workers in Organized and Unorganized Sectors in the Country.

MR. SPEAKER: Now Item 22, Shri Gurudas Dasgupta. It will continue till 10 minutes to 1 o'clock. Therefore, within that, you have to conclude.

...(Interruptions)

MR. SPEAKER: Nothing else will be recorded. Only Shri Gurudas Dasgupta's statement will be recorded.

(Interruptions)* अरे!

MR. SPEAKER: सब का टाइम है, लेकिन अभी टाइम नहीं है। यह कलिंग अटेंशन का टाइम है।

...(Interruptions)

CHAUDHARY LAL SINGH (UDHAMPUR): Sir, I have given Zero Hour notice...(Interruptions)

MR. SPEAKER: There is no rule called 'Zero Hour'.

...(Interruptions)

SHRI GURUDAS DASGUPTA (PANSKURA): Sir, I call the attention of the hon. Minister of Labour and Employment to the following matter of urgent public importance and request that he may make a statement thereon:

"Situation arising out of large scale retrenchment, lay-offs, wage cuts and withdrawal of statutory benefits of workers in organized and unorganized sectors in the country and steps taken by the Government in this regard."

* Not recorded

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): Mr. Speaker, Sir, the global financial crisis has affected certain segments of the Indian Economy. Government is concerned about the adverse impact of this crisis on labour as it is leading to retrenchment, lay-offs and wage cuts in various industries /sectors of our economy. A sample study of certain sectors conducted by the Labour Bureau indicates that 5 lakh workers have lost their jobs during October-December, 2008. Government has taken several measures to instil confidence in the economy, spur growth and promote employment. The stimulus package relates to RBI measures to enhance liquidity in the market and an economic package by the Government of India, mainly comprising additional spending, reduction in interest rates and excise duty cuts. These measures are expected to prevent large scale job losses.[\[RP14\]](#)

In the organized sector, the "Rajiv Gandhi Shramik Kalyan Yojana" being implemented by the Employees State Insurance Corporation (ESIC) with effect from 01.04.2005 provides a social safety net. Under this scheme, employees who lose their employment due to retrenchment, closure of factories/establishments or permanent disability due to non employment injury after being insured for five or more years, are entitled to unemployment allowance, in cash equal to 50 per cent of their wage up to six months during his /her entire service. The allowance can be availed in one spell or in different spells of more than one month. In addition, the worker and his family members are also entitled to medical care from ESI hospitals, dispensaries and panel clinics. Hon. Members will be happy to know that the period of availing unemployment allowance has now been enhanced to one year.

Social security cover for unorganized sector is the most important policy strategy for protecting the poor. In the recent past our Government has taken several major initiatives. Aam Admi Bima Yojana to provide life cum disability cover to rural landless households has already been launched. The scope of Old Age Pension Scheme has also been expanded. The Ministry of Labour & Employment has launched the Health Insurance Scheme namely, the 'Rashtriya Swasthya Bima Yojana' for BPL workers and their families. At this point of time about 26 lakh smart cards have been issued and more than a crore persons from BPL families have health security. Other schemes like the National Rural Employment Guarantee Scheme, which gives livelihood security to the households in rural areas through 100 days of guaranteed wage employment to every household whose adult

members volunteer to do unskilled manual work provides considerable relief. The Unorganized Workers Social Security Bill 2008 that has been recently passed by the Parliament shall enable the Government to formulate suitable welfare schemes for unorganized workers.

It has been decided that the cess collected under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 will be utilized for the purpose of providing unemployment insurance to construction workers. We are advising the State Governments accordingly.

Enhancement of skill levels of the workforce, along with retraining facilities, would serve to sustain and protect employment and enhance employability. For instance, various sensitization workshops about retraining facilities and alternative employment opportunities have already been held for displaced diamond workers in Surat. Upgradation of ITIs as Centres of Excellence and Skill Development Initiative launched for school dropouts and unorganized sector workers would help. In accordance with the decision taken in the meeting held by Cabinet Secretary, Government of India with Chief Secretaries on 31st January, 2009, a letter has been sent to the State Governments to expedite effective utilization of funds allocated to States under various skill development schemes which will not only stimulate the economy but also create world class modern infrastructure for skilling of youth.

In order to prepare a roadmap for future action I had called a meeting of trade union representatives on 17.02.2009. The Indian Labour Conference scheduled to be held today and tomorrow is going to deliberate, *inter alia*, on this vital issue. While the steps taken by us so far will mitigate the sufferings of workers to some extent, much more needs to be done by the Government and social partners. We look forward to valuable suggestions and support from hon. Members of Parliament to meet this challenge.

SHRI GURUDAS DASGUPTA : Mr. Speaker, Sir, I am extremely surprised the way in which the hon. Member of the Government has made a statement. It is too innocent to describe the present situation; it is too unpardonable because it does not hold out any hope for the future with regard to the retrenchment.

Sir, I object on the first line, which says 'global financial crisis has affected certain segments of the Indian economy.' No. The Government cannot hide behind the global meltdown to hide its own failure to generate job in the country. This retrenchment was going on even before that. The Government tries to hide behind the global meltdown.

The second point that he has made is that he is too generous to extend unemployment benefit for a year to the retrenched employees. But who are they? They are in the organized sector, who constitutes three per cent of the labour force of the country. Ninety-seven per cent of the labour force is in the unorganized sector.

Sir, if they accept that the job loss is a national calamity, then why there has been no mention of it in the Presidential Speech? If offloading of labour force on a massive scale is a grim reality, why the Budget Speech did not express any concern? The Government till now, during the current Session, has not expressed a concern on the basic human problem that the nation is facing.

Sir, if there has been a bailout package for the corporates, why there has been no bailout package to render social aids to the lakhs of workers who have been retrenched? There has been no bailout package for them. This is an expression of utter unconcern for a human problem, which is assuming a gigantic proportion. This is an aberration of democracy. Democracy does not mean political democracy; democracy does not mean only right to vote; democracy means social democracy; right to live.

Sir, the tainted hand has not raised a single finger in order to put in place social package for the distressed, and the tainted hand can be accused of ignoring the uneven social development of massive displacement of human labour.

Sir, so far as I know, so far as the Press report is concerned, there has been not a single Cabinet meeting on this issue. May be on the NREGP, there has been a Cabinet meeting, but there has been no Cabinet meeting held on this issue. There has been no discussion in the Parliament on this issue. But because of your generous intervention, Mr. Speaker, Sir, -- I compliment you profusely as a friend of the working people -- you have enabled me to raise this issue in the House late in the day.

Sir, there has been no meeting of the Chief Ministers on this issue; there has been no meeting of the Labour Ministers on this issue; and even there has been no meeting of the Labour Secretaries on this issue.

MR. SPEAKER: Hon. Members in the last row, please do not disturb. Too much of discussion is going on. You may go out and discuss your private matters. Do not interrupt. It is not a place for whispering.

Yes, Mr. Dasgupta, please continue.

SHRI GURUDAS DASGUPTA : Sir, there has been no programme to deal with the situation. It is being taken as an inevitable concomitance of global meltdown.[\[r15\]](#)

The Government need not have its policy. It is the market which will correct itself. It is due to market melt-down and if the market revives, the job conditions will revive. The Government is having supreme faith in the automatic market mechanism to bring about an aberration.

The point is, when tsunami had hit the countryâ€“yes, I am comparing it with tsunamiâ€“the Government had set up a damage control mechanism, control room, to take care of the human distress. When the economic tsunami has hit the country, there is no whisper and there has been no relief rendering mechanism initiated by the Government till now to the people who have fallen distress.

The point is, those who are not responsible for the crisis is being made to pay for the crisis. It is the corporates who have made the crisis. It is the working people who are being made to suffer for the crisis that the corporates have made themselves. Who made the crisis? The classical example is Satyam. Under the sleeping nose of the Government, Rs.7,000 crore was lost and people are on the verge of being thrown out. The crisis has been generated by the corporates and it is the working people who are paying for it.

The Government has reduced the taxes, rightly so. The Government has asked for decrease in the interest rate of the bank loan. I do not grudge. The banks have been asked to advance lavish loan to the corporates, even to the defaulters. What a wrong step! But has the Government put a pre-condition? Please mind this. Has the Government put a pre-condition on those who take advantage of the social benefit? Whose money they are receiving from the banks? Taxes have been reduced at the cost of the people. Therefore, it is the social benefit that is being rendered. No pre-condition has been imposed that if you take advantage of the loan and you get the benefit of the reduced tax, you should not retrench.

The Government is too weak to speak in a strong language to the corporates that you must not retrench the workers because we are giving you soft loan, because we are giving you the benefit of reduced taxes. The Government is too soft. Therefore, the question is, the Government is absolutely sleeping over the biggest national human deprivation problem in the post war period in India.

There has been wide violation of laws and on the pretext of recession, the workers are just being thrown out without any benefit whatsoever. The point is, nearly 1.5 crore people, Mr. Oscar *ji*, are affected by this human tsunami and they have been left to the destiny, and I am sorry the political system has refused to take care of the basic human problem of the country, and the people have been left in the lurch.

Sir, let me talk about the numbers. According to the Labour Bureau, five lakh people have been retrenched. The hon. Minister was saying this. It is thoroughly and totally an under-statement. It is incorrect. It is unscientific. It is an under-statement. I do not say it is untrue. But the point is, the Labour Bureau itself has admitted that it has covered only enterprises employing more than 10 people. The largest number of enterprises affected in India employs less than 10 people. They are not being covered by the Bureau. The Labour Bureau has admitted that it has covered only 20 centres in 11 States. [\[m16\]](#) How many States do we have? The country is having a population of 110 crores. Madam Minister, I will be highly obliged if there is no talk in the Treasury Bench.

MR. SPEAKER: They should keep their ears open, at least.

SHRI GURUDAS DASGUPTA : They should keep their ears open and hearts open. It is not the ear that works. ...*(Interruptions)*

MR. SPEAKER: Also the means.

...*(Interruptions)*

SHRI GURUDAS DASGUPTA : Sir, means can be found out, if there is a will. ...*(Interruptions)*

MR. SPEAKER: Please carry on. You are doing well. You have another four minutes.

SHRI GURUDAS DASGUPTA : Sir, the small-scale units are the worst hit. Shri Oscar Fernandes, it has not been covered by the so-called report which has been brought out by the Labour Bureau. The report has admitted not only offloading of five lakh people but also that the earnings of the workers have declined during this period. The Minister does not refer to that.

What is the dimension and magnitude of the distress? According to me, nearly 20 lakh people have been thrown out of jobs in

the recent period. Let the country know - not the report is true - nearly 20 lakh people have lost their jobs and ten lakh more people are on the way of losing their jobs. According to the United Nations' agency, 20 million jobs are going to disappear. It is a very small figure. According to ILO, five crore jobs are going to be lost in the whole world and the main brunt is to be borne by the people in the developing countries, and India is one of the developing countries.

Sir, top executives of real estate business have said recently in a statement that 10 lakh people will lose their jobs in the recent period. Textile industry has cut jobs of seven lakh workers. I hope, the hon. Minister is taking note of what I am saying. Export business captains have said that 10 million jobs more will be cut in the recent period. ASSOCHAM has apprehended more job cuts. On top of everything, according to *Times* news, there has been an assessment made by the Federation of Export Organisations and they are apprehending loss of one crore jobs in India. These are the captains of industry. The situation is too grim to be overlooked.

Sir, I have two points here. First, why can the Government not say clearly to the corporates, taking the soft loan and taking the benefit of reduced taxes, that you absorb the losses? When the profits were made, profits were personalized, but when the losses are incurring, losses are being socialized. My hon. friend, Shri Pranab Mukherjee is not in the House. He had contested this theory. In reply to him, I am saying that when the losses are being sustained by the corporates, the workers are losing their jobs. But when 50 per cent profit is being gained, it is being usurped by the corporates. Please tell the corporates 'Absorb your loss, you have enough reserve fund and do not curtail the manpower if you want to take the bank loan and advantage of reduced taxes.

Secondly, why can you not announce that those who have been retrenched in the recent period – you list out their numbers, identify them and give them a card – will be given financial benefit at least for one year. All those who have lost their jobs should be identified and given financial benefit for a limited period of time.[\[S17\]](#)

My last question is that the Government should ensure that violation of law, which is taking place under the pretext of so-called recession, is not allowed. Will the hon. Minister of Labour – a very few days are left for you – but are you in a position to pick up courage and tell the corporates that do not violate the labour laws and if they violate the labour laws, we shall send you to jail. Can you do it? Can you ensure it?

My fourth question is, will you call a meeting of the Labour Ministers in Delhi and ensure that the enforcement of the labour laws are really carried out to the extent it is possible.

I thank you profusely, Sir, for giving me the opportunity.

MR. SPEAKER: You are very pertinent.

SHRI RUPCHAND PAL (HOOGHLY): To say the least, the statement of the Minister is totally disappointing. It is not only an understatement, the Government is basking on the old hypes of growth story, and they are trying to salvage the employers only, who are never passing out the benefits they are getting as a result of this stimulus packages to the workers.

If you look at the study, it is based on a very limited scale, as has been stated by my colleague, that the other studies, the important global and national agencies are indicating that already the impact is there. There is rampant loss of jobs and the enormity of the problem, the scale of the problem, the Government has failed to realize and that is reflected in the Statement. It only demonstrates how insensitive this Government is to the cause of the workers. In the name of some ritualistic statements that they have given this stimulus package, monetary measures are being taken by the RBI. But what is happening to the working people that there is negative growth in the industrial sector, there is negative growth in the export sector. If you look not only at the retrenchment, closures, lay off, lock out, there is also one expression called 'suspension of work'. They are bypassing the law. Millions of our workforce are under suspension of work. In such a situation, the Government's insensitivity is only hurting us.

May I know from the hon. Minister whether the Government is thinking in terms of creation of jobs? The Government should extend the National Employment Guarantee Scheme to other areas also without any further delay because in the unorganized sector, they need job. The contractual workers and all those who are working in the ancillary and small industry have been victims as a result of big units being closed down.

Regarding the safety net, you have spoken about Rajiv Gandhi Safety Net, *Rashtriya Bheema Yojana*, employment allowance and others. The Minister has suggested concrete cases. ...*(Interruptions)*

MR. SPEAKER: You are only to put questions?

SHRI RUPCHAND PAL : I put questions and conclude, Sir.

The workers, whose industries or units are closed, should be given free education. The fee should be waived; the loan should be waived; and they should be given minimum nutrition because it is not only it is the case of students having mid-day meals but they should also be given ration cards and free ration and one year employment allowance as has been proposed, but which is not being given.

My experience is there – there is an industry called Dunlop India Limited, who has resorted to suspension of work for no reason. They have nothing to do with the present crisis and they are not paying their dues. Similarly, may I ask the Labour Minister, the management, the employers who are depriving the workers of their dues in respect of committed dues, statutory dues, they should be called and told that if they do not fulfil their commitment as per the amendment, they will be punished according to the laws of the land. [\[s18\]](#)

SHRI SANTASRI CHATTERJEE (SERAMPORE): Mr. Speaker, Sir, the statement made by the hon. Labour Minister suffers from serious complacency. The situation is very grim and it merits urgent and immediate action on the part of the Government to alleviate the sufferings of the working people, both in the organized and unorganized sectors. Without going into the details, I associate myself with the questions put forward by my colleagues Shri Gurudas Dasgupta and Shri Rupchand Pal and I hope that the Government will be alive to the situation and take the Central Trade Unions and the State Governments into confidence so that we could overcome the crisis.

SHRI N.N. KRISHNADAS (PALGHAT): I have only one question.

MR. SPEAKER: No. We do not have time for that. Everything has been very ably covered by them.

SHRI N.N. KRISHNADAS : I have only one sentence. The Indian Telephone Industry is a very prestigious public sector company under the Ministry of Communication and IT. For the last three months, the employees working in that company are not getting their salaries without any reasons. I would like to know from the Minister why it is so and request him to disburse their salaries at the earliest.

SHRI OSCAR FERNANDES: Mr. Speaker, Sir, I thank the hon. Members, Shri Gurudas Dasgupta, Shri Rupchand Pal and Shri Santasri Chatterjee for raising this very important issue.

I would like to assure this House, through you, Sir, that the Government is very much concerned about this issue. Even today, as I am standing here, a two-day Labour Conference is going on in Delhi, in which this subject was discussed.

SHRI GURUDAS DASGUPTA : We are talking about crisis and you are talking about Conference!

MR. SPEAKER: You were asking for a Conference!

SHRI GURUDAS DASGUPTA : It will deliberate everything, but without taking any action!

MR. SPEAKER: It should be a deliberated action!

SHRI GURUDAS DASGUPTA : It should not be a delayed action, Sir!

SHRI OSCAR FERNANDES: Sir, better late than never!

The hon. Member had suggested that we should have a meeting of the Labour Ministers. There is a meeting of the Labour Ministers today, in which we are discussing this issue.

MR. SPEAKER: His State Labour Minister has not informed him!

SHRI OSCAR FERNANDES: I agree with the figures given of five lakhs, that this is only a sample survey. It is not the entire survey of the entire situation in the country; they have chosen only a few sectors and seen as to how much it has affected. So, this is not a question of total job losses in the country; and it is only a sample survey.

We have taken several measures in the Government of India. Even before the discussion on the crisis began, the Prime Minister had taken advance action, both in the Cabinet and also in the Departments. That is how, the RBI came out with a package; that is how, the other Ministries and Departments which are involved or concerned with employment and production were put together to discuss this issue and the package was announced.

Even before the country could wake up and discuss this issue, the Government has taken advance action and it is not correct to

say that the Government has not taken action.

When the entire world is shaken by the meltdown, our economy is still the second largest economy in the world where the growth rate is the second largest.

SHRI GURUDAS DASGUPTA : But your report says leaving 77 per cent, others are able to spend only Rs.20 per day. It is the report of your Ministry. So, do not boast yourself of growth; please speak about poverty and deprivation.

SHRI OSCAR FERNANDES: Since the hon. Member has quoted the figure of Rs. 20, I would like to say that our Government has taken action to see that any person in the country who is unemployed or under-employed is given 100 days of guaranteed employment, which gives him Rs.80 a day, Rs.100 a day, Rs.135 a day, when you are talking of a paltry Rs.20 a day! [\[p19\]](#)

MR. SPEAKER: You wanted NREGA to go to urban areas. Let it also be implemented properly in rural areas.

SHRI OSCAR FERNANDES: Members have given a very good suggestion as to whether we could extend it to other areas. Definitely, the discussion is on and I hope something will come out of it. The worst affected people are the construction workers....(*Interruptions*)

MR. SPEAKER: No interruptions. After all, it is a serious matter and the hon. Members have very ably raised important questions. Let him reply.

SHRI OSCAR FERNANDES: Sir, most of the agricultural workers after finishing their work come and work as construction workers. They migrate from one State to another. We have made a study and we find that most of the workers migrate from States where there is more poverty to States like Haryana, Gujarat or Punjab. The flow of migration has come down considerably because the workers are getting jobs in their own villages whether it is in Bihar, West Bengal or any other State. The migration levels have come down which means jobs are available to the people in their own villages and the Members have to acknowledge this.

Basically, the work force is in the villages as 65 per cent of the people are working in the villages in the farming sector. The farming sector where the growth rate was hardly half a per cent today has increased to four-and-a-half per cent. That means our farmers are getting work in their own villages. This is one of the reasons behind the migration level coming down. The domestic consumption is still on. Even in the textile sector, garment sector when I inquired with people they said that though exports have been affected but our domestic consumption has gone up. Even in the footwear industry our domestic consumption has gone up.....(*Interruptions*)

SHRI GURUDAS DASGUPTA : Why was there retrenchment of 7 lakh workers in the textile sector?...(*Interruptions*)

MR. SPEAKER: Shri Gurudas Dasgupta, this is not right. Let him finish his statement. If there is any further query you can ask him later on.

SHRI OSCAR FERNANDES: I do not disagree with the hon. Member. There are two sectors...! (*Interruptions*)

MR. SPEAKER: If you go on commenting like this while sitting, I will stop the discussion.

SHRI OSCAR FERNANDES: Sir, there are two sectors; export sector and domestic sector. The flow of money is there in the domestic sector. About Rs.65,000 crore has gone into the rural areas by way of waiver of loans. That means the farmer has been able to raise fresh loans. Earlier Rs.85,000 crore was going into credit for agriculturists and now it is more than Rs.2,50,000 crore. This means the purchasing power, whether it is for the seeds, fertilisers or agricultural implements, has increased and ultimately the consumption also has increased. The flow of money in the villages has increased from the earlier levels. I am not saying that money is overflowing in the villages but there is money in the villages. Consumption within the country and production are going up at the same time exports are very much affected. We have to do everything possible. We are willing to help anybody if he wishes to run the industry. This is the main intention of giving the packages.

If we say that industry should run, industry cannot run without the workers. So, any support given to the industry is the support given to the workers. The formulation should not be wrongly put forward whereby we say that we are supporting the industry and not supporting the workers. Definitely by supporting the industry we are seeing to it that job-losses are not there, the workers are kept alive and working in the industry.

Members have given a number of suggestions. With regard to Unemployment Allowance, we were giving six months allowance – three months salary in six instalments - to the workers who have lost their jobs under ESI Corporation. After this crisis we have doubled it and we are now giving six months salary in 12 instalments. This has to be acknowledged. Maybe, it is for the organised sector workers. Yes, it is for the organised sector workers. One of the Members has quoted a figure about the organised sector workers. It is six per cent and not four per cent.[\[R20\]](#)

Sir, in our Ministry, we have set up a crisis group and all the Department Heads are there. Even when it comes to Surat where a lot of people have lost their jobs, we have decided that we will retrain the workers so that they can take up other employment. The whole Ministry is geared up and we are in touch with the other Ministries also. We will definitely see to it that the workers in the country are helped.

SHRI GURUDAS DASGUPTA : In Surat, many workers have committed suicide. What are you going to do for them?...(Interruptions)

MR. SPEAKER: All right. We cannot have a discussion like this. I have allowed your question. I have not deleted it as yet.

SHRI OSCAR FERNANDES: That is why, our Secretary went to Surat, Gujarat, to make a special study of the situation. We are working out schemes for them.

MR. SPEAKER: There is no export of diamond. That is the real problem.

SHRI OSCAR FERNANDES: Sir, in any industry, it is not the question of production alone. It has to be marketed also. We can support the industry to carry on with the production to some levels but after that if the inventory goes beyond a point, the industry cannot even sustain that kind of growth. This should be understood. We are fully in support of the workers and we will support them. I thank the hon. Members for raising this issue...(Interruptions)

12.58 hrs.

(At this stage, Shri Gurudas Dasgupta and some other hon. Members left the House.)

MR. SPEAKER: Now I come to other important matters.

...(Interruptions)

SHRI OSCAR FERNANDES: Sir, the Member has asked about unorganized workers.

(Placed in Library, See No. LT- 10642/09)

MR. SPEAKER: No other question has been allowed.

Hon. Members, do you want luncheon recess?

SEVERAL HON. MEMBERS: No, Sir.

MR. SPEAKER: So, there will be no luncheon recess. I will allow six or seven matters to be raised now and at the end of the day, others will be allowed.