



Urban Livelihoods: the City versus the Informal Economy

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In the last two decades Indian cities have witnessed significant structural changes with de-industrialization in larger cities and the shift towards the tertiary sector and widespread urban restructuring and renewal projects. The performance and expansion of labour markets are perceived as essential for the reduction of poverty and inequalities and the promotion of inclusive growth. Concerns regarding underemployment, labour informalization and increased inequalities make it necessary to look at how these transformations impact on the quantity and the quality of employment.

The focus chosen here is on the informal economy for two main reasons. Firstly, in 2005, 72% of the total number of workers in urban areas were carrying out their activities in the informal (or unorganized) sector⁸⁰. Secondly, the new urban policy regime's rising hostility (or ignorance)

towards the informal economy deeply threatens urban livelihoods, and consequently the right to the city, of large sections of the urban population.

1. The Facts

The larger concern around India's jobless growth does also apply to the urban economy. The employment growth rate grew in the middle of the 2000s, apparently indicating a reversal of the jobless growth that characterized the post-liberalization period, but the latest figures show a return to the previous trend which, according to Himanshu (2011), confirms the worrying disjunction between economic growth and job creation. Underemployment and lack of decent jobs is a negative feature of urban labour markets.

Moreover there is an undeniable trend towards increasing informalization of the economy

⁸⁰ We use interchangeably informal/unorganized workers and we follow the definition of unorganized worker given by the NCEUS (2007:4): "Unorganized workers consist of those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers."



and a constant reduction in the number of regular workers. The National Commission for Enterprises in the Unorganized Sector (NCUES) was set up in 2004 by the Government of India to examine the problems faced by the unorganized sector, which has indeed absorbed most of the net employment growth. Beyond the lack of absorption capacity of the organized industrial sector, the shifting distribution between the number of casual workers (stagnating) and the self-employed workers (on the rise) also points to a process of informalization of the formal sector. An increasing number of firms are relying on subcontracting to smaller, informal firms, or to self-employed workers who do not get the benefit of job and social security (NCEUS, 2007: 4). Based on his analysis of the NSS data, Himanshu (2011) shows that 1.6 million urban males engaged in the formal sector in 1999-2000 are working in the informal sector in 2004-2005. Informalization is now expanding in sectors such as trade, restaurants, hotels, repairs.

A closer look at occupational profiles reveals diverse processes at work along with existing - and worsening - disparities in terms of wages and working conditions. Using consumption deciles⁸¹ to classify workers into poor/vulnerable and higher income groups, the NCEUS report points out that the share of casual workers in the poor and vulnerable group (90%) is higher than the share of self-employed workers (74.7%) and regular workers (NCUES, 2007: 8). In terms of wages, for all India, regular workers earn three times more than casual labourers and these inequalities vary among states (for urban males, the ratio of regular worker to casual worker wage is the highest in Bihar at 4.6, and the lowest in Kerala at 1.5), thereby indicating that state policies, historical power relationships and social hierarchy also play a role in the structure of urban labour markets.

Finally, there is a great diversity in the informal sector, which is composed of various categories of population with different endowments. The congruence between poverty and informal work is further compounded with other disadvantages such as the level of education, which is critical to access better job opportunities. There is a disproportionate share of Muslims and SCs/STs employed in the informal sector (NCEUS, 2007: 22). Women (and partly children) are largely employed for piece-contract work or as domestic workers, which leaves them very dependent on intermediaries. The lack of job opportunities points to a shift towards more marginal and insecure jobs for new migrants (Chandrasekhar, 2011). Thus, the vulnerability and risks experienced by informal workers are to be understood in their multidimensionality.

2. The Legal and Policy Framework

There are three points of importance regarding the legal framework. Though the right to work is not a fundamental right, article 19(1)(g) of the Constitution guarantees to all citizens the right “to practice any profession, or to carry on any occupation, trade, or business”. Labour is in the concurrent list and both central and state governments can enact policies and legislations. There is a plethora of laws⁸² regarding labour (especially central laws) but very few of them cover workers universally. The large legal arsenal of central laws deals with the regulation of working conditions and more specifically: (i) the relationship between employer and employee⁸³, (ii) wages and remuneration⁸⁴, and (iii) social security benefits⁸⁵. Some acts are particularly relevant for the urban sector, such as the Building and Other Construction Workers Act, 1996 and the recently passed Domestic Workers Act, 2008. However, these laws are not implemented because it enables urban employers to draw

⁸¹ This classification into two groups is provided to summarize results but the NCUES has used a precise classification based on average consumption expenditure per capita per day.

⁸² The list given here is not exhaustive and does not include the legislations enacted by states.

⁸³ The Bonded Labour System (Abolition) Act, 1976; The Child Labour (Prohibition and Regulation) Act, 1986; The Factories Act, 1948; The Interstate Migrant Workmen Act, 1979; The Contract Labour Act, 1970; The Trade Unions Act, 1926.

⁸⁴ The Minimum Wages Act, 1948; The Payment of Wages Act, 1936; The Equal Remuneration Act, 1976.

⁸⁵ The EPF Act, 1952; The Workmen Compensation Act 1923 and Employees State Insurance Act 1948.



on very cheap and unprotected labour, and inspectors generally do not report violations (Box 21 as one example).

Laws and policies also focus on the promotion of employment and skills. The Micro, Small and Medium Enterprises (MSME) Development Act, 2006 is aimed at enhancing the competitiveness of micro, small and medium enterprises which have grown rapidly and contribute to 45% of the total manufacturing output and 40% of the total exports. The Skill Development Mission is centred on increasing the number of skilled workers. These are important steps to enhance urban livelihoods that are spread across a large number of sectors, both in the secondary (manufacturing, agro-businesses) and tertiary sectors (including financial services), apart from the visible informal urban activities such as street vending for instance for which a specific bill is under preparation (Box 22).

In this context, the question of a National Urban Right to Work has been increasingly discussed and a series of consultations were held by the UNDP and Government of India in 2005, which concluded that there was a need to focus on the “Right to Work” in an urban context. The setting up of the National Commission for Enterprises in the Unorganized Sector (NCEUS) by the Government of India has led to the Unorganized Workers Social Security Act (2008) which includes the urban context. It has launched the debate for an integrated informal sector policy that would cover all aspects, ranging from social security (including health benefits, life and disability cover, as well as old age and maternity cover), to the regulation of work conditions, the growth of employment and productivity, and the question of financing unorganized enterprises.

Seen by some as a means to correct market failures, it is also proposed by others as moving towards a universal rights-based approach. Indeed, the three points raised above, of education, wages and the provision of social security, can be linked together to make an argument in favour of the provision of public

goods and thus bring into the policy realm the constitutional arguments on rights and entitlements (as Amartya Sen has argued on many occasions). Better education and better health (better infrastructure in general) would augment or enhance individual capacities to earn better wages, and thus enable people to acquire social mobility.

Finally, central to the question of urban livelihood is the impact of master planning zoning, development control rules and urban bye-laws that circumscribe the definition of legality in the city. The strict land use and zoning implied by most city master plans (and even more so in Delhi where the Master Plan has the status of a law) imply that many economic clusters and economic activities are de facto illegal since they do not conform to the Master Plan. Similarly, the strict application of urban bye-laws prevents the city accommodating to increased urbanization. This is seen in the manner in which urban villages in cities and villages in the periphery, where these bye-laws do not apply, become places where rental housing and cheap accommodation is built up. In concrete terms, informality is largely the product of rigid and anti-poor urban regulations which preclude access to legal and formal livelihoods.

3. Policy and Academic Debates

3.1. Livelihoods, employment conditions and social protection

Since the informal sector has absorbed most of the new employment growth, its role to expand job opportunities and improve urban livelihoods is essential. In both the cases of Micro, Small and Medium Enterprises (MSMEs) and self-employed workers, apparent structural and institutional constraints limit their ability to create solid assets. Rules are complicated, cumbersome, and time-consuming, be it for registration purposes, sales tax payment, use of subsidies and credit facilities. However, the existing formal regulatory framework has not been very effective either because it is not feasible or it

can be circumvented (through arrangements, bribes). The lack of effective regulation also partly explains the rapid growth of this sector and its ability to create jobs, which relates to a debate on the need for adequate balance in regulation whilst not stifling the vibrancy of the sector and still ensuring minimum standards (for instance regarding pollution). However, policies considered a priority across the board are those facilitating access to credit institutions, devising innovative financing tools (including harnessing the potential of microfinance) and providing technical, managerial and marketability skills.

Furthermore, urban informal economic clusters are often located in settlements with fragile land tenure which exposes them to the threat of demolition, or where institutional tertiary sector organizations are not located. A well-known example is the case of Dharavi that hosts hundreds of small thriving enterprises - under the threat of displacement - in a neighbourhood that did not have a single bank until a few years ago, despite contributing significantly to the GDP of Mumbai. The absence of a legal lease or ownership rights on land, the often informal status and the lack of legal papers mean that obtaining collateral for bank loans is close to impossible. To facilitate access to more formal forms of production, De Soto (1989) stresses the importance of providing lease or ownership status on land to consolidate a right to build productive assets. This approach is increasingly considered in the Indian context but is contested by others since it could also lead to new market forces that would evict these clusters (see Benjamin and Raman in this volume).

A key issue to leverage the potential of job opportunities in and around cities is to improve the levels of skill and education especially since evidence points towards increased wage inequalities between skilled and unskilled workers⁸⁶ (Awasthi, Kashyap and Yagnik, 2009). As highlighted by the results of the NCEUS report, casual workers at the bottom of the working force

hierarchy in the unorganized sector have much lower levels of education. Unni (2009) argues that even when a worker is able to get a diploma, her ability to leverage its potential is weak and impacts negatively both employability and upward mobility. These limits, together with the large share of unskilled workers and an access to training mostly through informal networks, underline the lack of success of institutionalized vocational training and ITIs (Indian Training Institutes) that are central to the government policies of enhancing skills. Improving skills (through the implementation of the Skill Development Mission, the setting up of State or privately funded vocational institutes, public-private partnerships, etc.) along with a strong focus on primary education is essential to raise the ability of actual and future workers to benefit from new job opportunities. In the medium and long run, this would be a step towards improving the bargaining power of workers to obtain better wages and working conditions in the labour market.

Indeed, the question of wages remains important since income inequalities have increased in urban India. Wage inequalities are related to the occupational profile, to inter-state disparities and to the size of cities. Belser and Rani (2011: 54) show that 40.8% (respectively 38% for men and 40.8% for women) of urban casual workers are paid below the national minimum wage. A debate exists between those who argue for the application of a minimum wage and the application of the existing legal framework (Balsler and Rani, 2011) and those who are wary of measures that could create rigidity in the labour market and prefer better targeting of social programmes, adequate safety nets, market incentives for voluntary action plans by enterprises. Furthermore, with the rise of new forms of urbanism, there is also a growing concern that Special Economic Zones, many of which are located in the metropolitan regions, do not need to abide by all labour laws or to uphold the right to strike (Singh, 2009). As a recent

⁸⁶ Though this divergence cannot be generalised to all urban activities.

example, the Government of Haryana's decision to declare as illegal the strike by workers at the Maruti factory in Manesar (Delhi Metropolitan Region) underlines that even in the organized sector, workers' rights can be curtailed in a rapidly changing, urban, metropolitan economy.

The NCEUS has characterized the problems of social security in the informal sector as being the result of capability deprivation (correlated to the lack of sound employment, low earning as well as other factors such as health and education levels) and of the absence of safety nets. Most of the unorganized working class depends on informal networks based on caste and kinship that Gill (2009) has unveiled in her work on the waste markets of Delhi. In the urban context, the relationships between employer-employees (not always exploitative) are complex and contribute to providing safety nets for the most vulnerable groups. Worryingly, relocation processes due to either demolitions or large infrastructure projects bear the danger of disrupting these fragile social safety net systems. To broaden the scope of traditional social security systems, the more recent idea of social protection takes a comprehensive view and aims at "addressing insecurities related to the failure to meet basic economic and social needs as well as those related to sudden change for the worse" (UNESCO-ICSSR, 2010:5). It highlights the importance of designing institutional mechanisms to cope with high risks and vulnerability⁸⁷.

3.2. The relationships between the city and the informal economy

Many activities of the urban informal economy are not carried out in factories, workshops and shops in planned commercial areas or in offices. They take place in the streets, on the road side

and pavements, at home, on site and in unplanned and unauthorized industrial zones or markets. For instance, 9% of men work on construction sites, 29% work in their own enterprises outside their dwelling and 13% work in their own dwelling. Working from home is the case of 54% of the women engaged in the informal sector. Before the turn of the 1990s, as explained by Mehra (in this volume), despite modern planning norms, the polity and civil society at large allowed the inclusion of the working class in public life and in public spaces. The 1990s have redefined the relationship between the city and the informal economy. The rapid deindustrialization and the closure of manufacturing units (Del Monte, 2002; Breman, 2003) have led to displacement of large numbers of previously unionized workers. The aspirations of a rising middle class and of city bureaucracies for modern and "world class" cities contributed to this process. The urban working poor are increasingly perceived as free riders on what the city offers in terms of facilities. Yet these workers make a major contribution to the city's mobility (drivers of cycle rickshaws, rickshaws and even taxi drivers), its economy (home-based activities, small manufacturing and food processing industries), its transforming new built environment (construction workers) and increasingly its service industry (hotels, restaurants).

Above all, there is a lack of knowledge, of acceptance and understanding of the flows (of resources, finance and people) between the formal and the informal economy that characterizes the urban economy. As a consequence planning authorities (whether at the city or state level) are unable to engage with the role of the informal economy in city planning. As Mukhopadhyay (2011) rightly argues, they see the informal economy as dysfunctional while on

⁸⁷ Recognizing the importance and necessity of adequate social protection systems, the United Nations System Chief Executives Board (CEB) recently adopted in April 2009, "the Social Protection Floor Initiative" (SPFI) as one of its nine key priorities to cope with the current global crisis. A UN inter-agency initiative, the SPFI corresponds to a set of essential transfers, services and facilities that all citizens everywhere should enjoy to ensure the realization of the rights embodied in human right treaties. Its objective is to promote and support (i) the implementation of a basic set of social transfers, in cash and in kind, paid to the poor and vulnerable to provide minimum income security and access to essential health care, and (ii) the availability and access to essential services, such as education and health, adequate nutrition, water and sanitation.



Box 21. Struggles for implementation of better working conditions: the case of construction and domestic workers

Social protection measures include social insurance for the working poor, constitution of welfare boards, implementation of equal wages, maternity benefits, and construction of crèches. Construction boards often have more funds because usually 2% of the cost of construction is deposited with the board. However, to benefit from the facilities the construction worker must become a member of the board. Most workers are not aware of the existence of the board nor do they know what it does. Though it is the responsibility of the labour department to educate workers on their rights, this is rarely done. It is left to trade unions to help out workers. Two such organizations have been important in organizing workers and trying to influence policy-making for more progressive work conditions.

The Construction Workers Federation of India⁸⁸ was created in 1989 and pushes for the implementation of a number of rights such as the Building and Other Construction Workers Act, 1996, the Inter-State Migrants Act, 1979, the provision of housing facilities for construction workers, and for women's rights such as equal wages, application of the Maternity Benefit Law of 1951 and the delivery of pension for widows.

In March 2011, the Supreme Court ordered a number of states to apply the Building and Other Construction Workers Act and requested governments to appoint regulatory officers to ensure the implementation of the Act in the informal sector. This decision was in response to a PIL filed by the National Campaign Committee for Construction Labour.

The Self Employed Women's Association (SEWA)⁸⁹ is one of the most active organizations in the defence of workers' rights in the informal economy, and in particular the case of domestic workers⁹⁰. Its Delhi branch has organised campaigns for enrolling construction workers and domestic workers with their boards. SEWA has also started its own insurance scheme for women in informal employment.

One must also mention the National Domestic Workers' Movement that works with domestic workers (including children and migrants). This social movement fights for the implementation of existing laws, the recognition of non-implemented legislation, as well as for respect and dignity for activities that are often considered to be derogatory to one's status. Typically, this movement refuses terms such as "servants" and "maids" which imply an inferiority status, pushes for the inclusion of domestic workers in the labour laws (which till date does not apply) and fights for decent working hours and a larger set of benefits.

Among existing initiatives, the National Health Insurance has been extended to domestic workers through Rashtriya Swasthya Bima Yojana, after it got approval from the Union Cabinet in June 2011. It will cover around 47.50 lakh domestic workers. The National Social Security Fund for Unorganized Workers will fund schemes to provide health insurance cover up to Rs. 30,000 (666.66 US\$) through cashless smart cards. However it is unlikely that this insurance coverage will be functional till the end of 2012.

⁸⁸ <http://www.cwfigs.org>

⁸⁹ www.sewa.org/

⁹⁰ <http://www.domesticworkerrights.org>



the contrary it works and is relevant for the city. If there was no demand for what the informal economy provides in terms of products and services, it would simply disappear.

Unni (2009: 90) shows how the City Development Plan of Ahmedabad, often held up as a best practice, does not think of benefits for workers when planning to redevelop vacant textile mills' land; it does not have sufficient focus on enhancing infrastructure in the 141 existing markets; it does not hold any provision for providing better facilities in slums where 51% of the working women operate as a priority. This could be said of many other large Indian cities. The example of the Dharavi Redevelopment Plan, aiming at a modern and centrally located neighbourhood, symbolizes the aspiration to erase messy, complex, though productive economic spaces. It also underlines the inability of decision makers to grasp the multidimensional role that land plays in Indian cities, as a productive asset with historically built economic and social networks. More precisely, this tension between changes in the city and in the urban informal economy takes various shapes.

First, the notion of public spaces is being reshaped and this has a definite impact on activities carried out in the streets. Despite the convenience that many poor or middle class residents find in being able to shop at the exit of train or bus stations or close to their house, there has been a push against street vending by civic authorities, often with the support of resident welfare associations (Anjaria, 2006). As Bhowmik (2010) shows, a number of states and cities with a more progressive outlook have provided a sound regulatory environment rather than feeding on predatory practices (bribes, protection money), and developed a more transparent and coherent system. Yet cities authorities remain very reluctant to include these activities in their planning exercise.

The three States of Orissa, Chhattisgarh and Andhra Pradesh have enacted progressive legislations or policies regarding street vending.

Box 22. Urban Street Vending Bill

The not yet enacted National Policy on Urban Street Vending Bill (2009) recognizes that street vending has been prevalent in India since time immemorial. In this regard, it endorses the recognition, by the Supreme Court, of the right to hawking, and that street vendors provide essential commodities to common people and the urban poor (Bhowmik, 2010). However, the proposed Bill is falling short of a number of recommendations that were framed by the NCEUS in its National Policy for Urban Street Vendors (that partly took into account the viewpoint of organized movements like the National Association of Street Vendors of India (Box 23)). This underlines the gaps between policy making and law framing despite the reiteration by the Supreme Court in October 2010 of the rights of urban street vendors and the need for an improvement of their situation and their legal protection.

The planned Bill of 2009 diverges from the initial National Policy drafted in 2004 on a number of points such as:

- the preservation of natural markets (ignored by the 2009 Bill);
- the priority to register existing vendors before issuing new licenses, which raises the fear of manipulation and issuing of license based on non-transparent means;
- eviction as a last resort is mentioned in the National Policy while the planned Bill does not mention eviction, hinting that in the absence of regulation, city authorities could decide to evict street vendors;
- the space reserved for street vendors: since they are estimated to represent 2% of the urban population, the extent of space for street vending shall be commensurate with their proportion.

Source: Bhowmik, 2010.

In Bhubaneswar, one-third of the pavement is allotted to street vendors and harassment by city authorities has stopped, resulting in an increase of income for vendors (Bhowmik, 2010). The Urban Street Vendors and Hawkers (Registration and Regulation) Bye Laws of 2010 of Chhatisgarh follow all the guidelines of the National Policy and the Andhra Pradesh Street Vendors' (Protection of Livelihood and Regulation of Street Vending) Bill of 2010 protects livelihoods by stating that eviction cannot be carried out if a first notice and a fine have not been issued first, and that confiscation of goods is a last resort.

These positive steps to protect the rights of street vendors contrast with large cities such as Delhi, Mumbai and Kolkata where eviction drives, public interest litigations against hawkers, and reluctance by the city authorities to allow hawking zones, have been the trend. West Bengal and Maharashtra have very regressive approaches towards street vending. For instance, the Maharashtra Government has passed a law in 2010 that has drastic implications for street vendors. It provides licenses only for those street vendors who have proof of residence for 12 years or more in the state. Moreover, vendors operating without a license or those in non-hawking zones will be fined Rs. 5,000 and face a jail term of six months.

Second, the process of urban restructuring (slum eviction, rehabilitation schemes and gentrification) and the implementation of large scale infrastructure projects also translate into slum evictions and displacement of economic clusters. On the one hand, many informal activities are conducted in slums. Beyond providing cheap residences, they are also centres of employment for small and micro industries and home-based work, especially for women. In the worst cases, slum eviction without notice destroys both the ongoing activities and further bears the risk of cutting off the home based workers from their networks to access work (see Dupont in this volume). In the case of

Box 23. The National Alliance of Street Vendors of India⁹¹

The NASVI started as a network in 1998 and got registered as a formal association in 2003. Its role is to push for reforms and changes at the macro level in policy design for street vending. It is largely constituted of Trade Unions, Community Based Organizations, Non Government Organizations and professionals committed to the street vendors' rights and welfare. The network supports local organizations both in their efforts to be organized and acknowledged and in their attempts to improve their livelihoods. NASVI is also very active in organizing state and national events and also participates in international events to influence decision making and to disseminate best practices. It also acts as a watchdog in situations which threaten the livelihood of street vendors. Presently, NASVI has 2,92,452 members from 373 organizations and is part of a larger international network of street vendors associations.

rehabilitation, more often than not, rehabilitation and resettlement is focused on building houses and rarely provides space and opportunities for work, thereby increasing the vulnerability of relocated slum dwellers. The situation is even harder for specific groups such as migrants since these rehabilitation packages are linked to a date of arrival in the residential location, or for women who are employed as domestic workers and have to travel much longer to reach their place of work since relocation sites are increasingly in the periphery of cities.

In old industrial zones, where large tracts of land are available such as the textile mills in Mumbai, the needs of the disenfranchised workers in terms of housing have been dismissed in favour of luxury apartment complexes (Adakar and Phatak, 2005). At the same time, a number of

⁹¹ www.nasvinet.org/

informal economic clusters are under threat either because of large projects, pressure from resident groups, and increasingly, environmental concerns. This is the case for instance with the Mundra recycling market where all these factors combined to displace it (Gill, 2009), and of the small and polluting industries located on the bank of the Mithi river in Mumbai, which is being desilted and widened as a response to the 2005 floods. It is important to note here that arguments around the right to a clean environment often obscure unequal power relationships between actors⁹².

Third, these processes are reinforced by a shift in the perceptions of the urban poor and the informal economy that leads to legitimizing evictions, to violent action against specific categories or to apathy by civil society when rights to live, work and consume in the city are threatened. The organization of the recent Commonwealth Games in Delhi resulted in a large-scale drive against slums and street vendors but also in the violation of the rights of construction workers, who are essentially migrants (Box 24). There are specific factors

attributable to migrants, among other vulnerable groups, which lead to a series of concrete problems for them in accessing the city in material terms, as well as in being socially integrated. These include: their temporary status; their location - often in the most recent and consequently “illegal” settlements; and their differences in terms of language and regional culture. The migrants’ temporary status precludes them from the benefit of services offered in cities, in particular the public distribution system (PDS) and the benefits of other social protection programmes. The condition of women migrants is even more deplorable as they receive lower wages than men (a violation of equal pay for equal work). Labour migrants are also geographically scattered, socio-culturally fragmented and economically disenfranchised. As such, they are not recognized as a class of citizens and are often considered as a burden on the resources of the city by the decision makers and amongst the urban elites. In their imagination of the world class city, a “city without slums” is desirable even though it is a direct concrete threat to an inclusive urban citizenship and accompanying rights.

Box 24. Violation of workers’ rights at the Commonwealth Games construction sites in Delhi and civil society organizations’ campaign

At the time of the 1982 Asian Games in Delhi (the Asiad), the pitiful working and living conditions endured by construction labourers led to a Public Interest Litigation (PIL) filed in the Supreme Court. The judgement stated that the disregard, by employers, of several provisions under the Labour Laws, amounted to the violation of the workers’ fundamental rights guaranteed to all citizens of India under Articles 14, 21 and 23 of the Constitution. In 2007, in the context of the preparation for the 2010 Commonwealth Games (CWG), that was to “Right the Wrongs of Asiad’ 82”, 22 organizations and individuals constituted the coalition Commonwealth Games Citizens’ initiative for Workers, Women and Children (CWG-CWC) in order to address the working and living conditions of the 100,000 expected unskilled construction workers, mostly migrants, in the capital city.

The initial objectives of the campaign focused on:

- Building awareness of the issues among the general public, construction companies, the State Government and the construction workers themselves;
- Pushing for the implementation of the Building and Other Construction Workers Act of 1996;

⁹² Typically the main encroacher on the Mithi river is the Mumbai Metropolitan Regional Development Authority, also in charge of widening the river.



- Partnering with implementers to make a concrete difference on the ground and act as a watchdog.

Concrete actions undertaken included:

- Advocacy for the registration of workers with the construction workers welfare boards, and the workers' access to the benefits from the Welfare Funds;
- Setting up of crèches on the construction sites;
- Information campaign (through website, newsletter, fact-sheets, press-articles in the media);
- A public hearing on construction workers' issues in Delhi, organised on October 13, 2009;
- A study on the safety and social security of construction workers engaged in major CWG construction/renovation projects in Delhi.

However achievements regarding the improvement of the workers' condition proved to be meagre:

- By 2010, about 26,000 workers registered with the construction workers welfare boards, only 7,775 of which were 'active' registrations.
- The Welfare Fund stood at Rs. 410 crores (USD 91.11 million) in September 2010, thanks to the contributions paid, mostly, by government agencies and the Delhi Metro Railway Corporation. However, only Rs. 1 crore (USD 222 000) were disbursed for the welfare of the construction workers and their families (namely for education scholarships).
- Several provisions of laws enacted to protect contracted labour (1970 Act), interstate migrant workmen (1979 Act) and construction workers from exploitation and bondage labour (1976 Act) were violated by the employers: workers were paid less than the legal minimum wage; they were made to work overtime without receiving the stipulated double rate; appropriate safety measures on the construction site were not fulfilled; they were not provided with suitable hygienic and residential conditions.

The violation with impunity of the workers' rights at the CWG construction sites led the coalition to file a Public Interest Litigation in January 2010 in the High Court of Delhi – Peoples Union for Democratic Rights (PUDR) and others versus Union of India and others. The reports of the public hearing and from the fieldwork investigations were submitted as supporting facts to the Court. However, for the workers there is no tangible effect and especially for the migrants who have already gone back to their place of origin.

A combination of factors prevented the CWG-CWC campaign from being successful. The divided polity and stratified society appear as a major obstacle to push forward the cause of the vulnerable groups, and of the migrant construction workers especially.

Source: Compiled by Véronique Dupont from interviews with activists at Mobile Crèches (NGO coordinating CWG-CWC); CWG-CWC Newsletter and fact-sheets; PUDR (2009), HIC-HLRN (2010).

4. Policy Recommendations

Decent employment, adequate social protection and recognition of the rightful place of the informal economy are key elements to ensure access to improved urban livelihoods and the prospect of a more just city.

In order to improve employability and enhance workers' social protection, a large range of policies and actions can be designed, that

would also be specific to different sectors. Suggestions here limit themselves to an overarching platform, whereas specifics would need to be debated for different sectors of activities. They include: (i) the enforcement of existing legislation regarding mobility, working conditions and social security benefits; (ii) better regulation and control mechanisms for some aspects of the informal sector but without stifling its vibrancy; (iii) the reshaping

of policies to enhance the potential for job opportunities for small units and self-employed workers. This would include simpler procedures for registration, institutional mechanisms to access subsidies and financing, and to improve skill development; (iv) to scale up skill and vocational training, especially in smaller towns and ensure they target the required needs.

Another range of recommendations are more centrally focused on urban policies. At first, a large number of concrete actions can be pursued such as investing in education and facilities for the children of construction and migrant workers, providing housing for construction workers, improving infrastructure in markets and bazaars, providing crèches for working women, enhancing cheap and more flexible transport systems, etc. Secondly, the manner in which cities are planned and regulated needs to evolve and ensure the legality of mixed land use, the writing of urban planning norms which are

sensitive to the needs of the poor, urban bye-laws which are less rigid, the introduction of local area development plans in a participatory manner, and the implementation of small-scale pilot projects for improving economic clusters.

But above all, a paradigm shift from the existing mindset focused on “cities without slums” and “world class cities”, is urgent. Urban policies and city planning need to take into account the functionality of the informal economy and its linkages and transmission channels with the formal economy (which would require a more persuasive account of the economic benefits of the informal sector in terms of its contribution to GDP and city taxes). On the one hand, this would help to revisit existing policies and lead to more concrete inclusive processes. On the other hand, it would uphold that the urban poor and the informal workers are fully-fledged urban citizens and city makers, rather than city users and free riders.



Bhowmik S., Zérah Marie-Hélène, Chaudhuri B.

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