



IDENTITIES

of the

WORLD

EPISODE 3
FALLING THROUGH THE CRACKS





SOCIAL EXCLUSION DERAILS FINANCIAL INCLUSION

The district of Parel in Mumbai consists mostly of towering glass buildings. A separate island until the 19th century, home to several cotton textile mills in the 20th century, today several homegrown billion-dollar companies have their head offices here. Almost every bank in India – nationalised and private – has significant floor space in the area. But Ganesh Dattatrey Shinde, 46, who sweeps the streets outside Elphinstone station that leads to the towers of commerce, has never been able to access the loans that these banks offer.

Shinde sweeps an assigned stretch of two kilometres, thrice, during his shift. “We drag along a bin into which we put large trash. We don’t sit down for tea; we take a break standing, and barely manage to wash our hands and legs wherever we find water through someone’s benevolence. There are no soaps,” he said. The Municipal Corporation of Greater Mumbai (MCGM) provides funds to the contractor that Shinde works for, to purchase gloves, masks and boots for the workers. But Shinde said that he and his colleagues never receive them because the contractor would rather keep the money.

Shinde lives with his ageing parents, his wife and his two children aged seven and four. Until the age of 32, he worked at his uncle’s saree store. When the opportunity to take up the job as a sweeper came up in 2004, he took it. After all, it meant the possibility of the job being a permanent one. Shinde earns a daily wage of Rs 576 (\$8.20); it used to be Rs 70 (\$1.00) when he began to work in 2004. However, with a 12 percent deduction that goes into a pension fund, he receives a sum of Rs 12,580 (\$180) into his bank account every month.



In 2007, Shinde needed Rs 50,000 (\$711), to repair and formalise the ownership of his home, which is located in Dharavi, the largest slum in Asia. He approached the Maharashtra Bank for a loan, where he opened an account in 2004, right after taking up the street sweeping job.

“But I did not have any document to prove that I am employed,” he said. “I had a small sum of money in their bank. Yet, they said they had rules that they could not help me with a loan.”

Shinde’s employment is with a contractor, who is in turn employed by the richest municipal body in India, the MCGM. Contractors hire workers for seven months, or 210 days, to avoid adhering to the Industries Disputes Act of 1947 which stipulates permanent positions if a worker works continuously for 240 days. Even though the principal employer (the MCGM) and the employees like Shinde stay constant, there is a new contractor every six months. However, Shinde has no document to prove his employment, because of this tangled web of legal provisions which the contractors circumvent. There are no papers signed; people like Shinde are required to report to a different person every seven months.

The Contract Labour Act of 1970 lays down the rights of workers in establishments with more than 20 workers, which should help people like Shinde. However, the vast number of contractors that MCGM outsources the sanitation work to hire fewer than 20 people, meaning that Shinde and others aren't able to argue for their rights.

"But without our work, the city would be in shambles," he tells me, when he takes a short break from his work on a sunny day.



Shinde was aware of the deduction from his pay for a pension fund, and in 2007 he tried to access it. But after his contractor only mumbled a response, he learnt from his colleagues that there was no such fund. An organisation which represents contract sanitation workers, named "Kachra Vahtuk Shramik Sangh" (KVSS), had discovered, by trawling through boxes of records, that the contractors only needed to submit photocopies of the handwritten cheques that were being issued to the workers.

"There was tampering in the amount, suggesting that we were being paid a higher amount," said Shinde, "when the reality was that we were being paid

less, and were told that this was because of the deduction.” This prompted Shinde to join KVSS.

In 1996, KVSS approached the Bombay High Court representing 1,200 workers, with a plea to end the contract system and ensure that the workers are directly hired by MCGM. They were unsuccessful. Dialogue with the MCGM also failed to bear fruit.

In 2007, another case filed in an industrial tribunal ruled in the favour of the workers, but the MCGM challenged this in the Bombay High Court. In December 2016, the Court ruled in favour of the workers, directing the MCGM to pay arrears to the workers amounting to approximately Rs 250,000 (\$3,500) per worker.

The MCGM’s subsequent appeal in the Supreme Court was dismissed. Instead, in April 2017 the Court directed the MCGM to change the status of the workers to permanent, as well as to deliver the mandatory pension fund, gratuity, house rent allowance, leave travel allowance, and “ghaan kaam bhatta” (dirty work allowance), but did not set any timeline by which these things must be delivered.

The Supreme Court directive will undoubtedly change the lives of the 2,700 workers who were part of the petition, including Shinde. His salary should rise to anything between Rs 25,000 to Rs 28,000 (\$350 to \$400) per month. The court win was a year ago, but Shinde has still not received any letter that confirms his new job status as a permanent employee of the MCGM, nor has he received any arrears. And that’s because of his middle name.

Shinde’s father’s name is Dattatrey. In the state of Maharashtra, of which Mumbai is the capital, the father’s name is added as a person’s middle name. In the phonetic Devanagari script that Marathi is written in, there is only one way of writing his father’s name. But when it’s rendered in the Latin alphabet, there are many ways to spell that name, meaning that his middle name is now spelled differently across his various documents.

On his driving license, it says “Dattatray”. On his voter ID card, it is “Dattatreya”. And on his PAN card, which is issued by the income tax department, his father’s name is written as “Dattatrya”, but his own name is written as “Ganesh D Shinde”. When he enrolled with KVSS to become a member – after he learnt about their work with the pension fund – he received an ID card and that lists his middle name as “Dattatray”. He has no ID card issued by either the MCGM or his contractor.

In March this year, he received a letter which said that these discrepancies mean that it is impossible to verify if he is the same person who is indirectly employed with the MCGM.

“This has happened to 1,400 of us who were to supposed to receive arrears and higher salaries, after the Supreme Court judgement,” Shinde told me.



When Shinde needed a loan in 2007 to formalise the ownership of his apartment, he approached a Makadwala. The Makadwala community were once nomadic tribes from across the states of Maharashtra and Karnataka, and a section of them have become moneylenders. According to one research paper, they have acquired the reputation for being mean recovery agents.

"A Makadwala was recommended to me by my friend," Shinde says. "He gave me the loan of Rs 50,000 (\$700) at a 10 percent interest rate. It took me about three years to return the sum, in small installments, because my wages were still the same." Shinde took up a second job to be able to repay the loan without falling prey to the notorious ways in which Makadwalas behave with defaulters.

"I usually leave home at 6am to get to my location, which changes every six months with the new contractor. I get home by 1:30pm. During that period when I had to repay the loan, I requested the contractors to let me work the second shift too, from 3pm onwards. They obliged," he explained.

Recently, Shinde needed a second loan, and contemplated going to the jewellers instead, with his wife's few pieces of jewellery. Jewellers have been moneylenders across India for decades. But most of them are discreet about their practices and processes.

Manish Patel (name changed) is a jeweller and moneylender who explained briefly how it works. "Jewellers and moneylenders have intermediaries who can vouch for those who wish to borrow money," he says. "In both cases, the interest rates may depend on how well each person knows the other. We charge one month's interest even as we lend the money. Most mortgages are for a short period: between three-six months, as the interest is steep, and the value of the gold erodes quickly compared to the payments," Patel said.

Some jewellers have licenses to mortgage and some – like Patel – don't. A vast segment of the process of lending works unofficially, without a paper trail. And this is why gold is preferred over diamond and silver, as it can be sold and melted quickly, leaving no trace.

"We charge one month's interest even as we lend the money. The interest rate varies between 3-5 per cent, per month. But 80 percent of the borrowers do not show up to claim the gold, unless they are able to repay the entire borrowed amount or if the jewellery has sentimental value. When the jewellery is not claimed, it is sold and melted easily," says Patel.



Ganesh Shinde at work, with his injured foot wrapped in plastic. Photo credit: Priyanka Borpujari

In August 2018, Shinde was injured while working. He cut his foot when he accidentally stepped on a sharp object. He continued to work that day, even though he was bleeding, and afterwards he went to a private doctor's clinic. The doctor did not tend to the wound well, and so the wound became infected. He had to go to the municipal hospital near his home daily for a dressing.

When we met, he was limping, and wore a plastic bag on his leg. Through the flimsy plastic, his foot, bandaged, looked swollen. Shinde said that he had already spent close to Rs 4,000 (\$57) for treatment, for something that should have been a minor wound. "I could have accessed medical care for free by showing that I am indirectly employed by the MCGM," he said, "but the spelling errors in my name have delayed the process. Now I need to undergo a test to see if this healing or not."

Shinde is thankful for KVSS' help in ensuring that people like himself get their due. "What I earn today is not a lot and is often not enough when emergencies show up, like the injury on my foot. But I have begun to invest in two small insurance policies for which I pay a total monthly premium of Rs 1,515 (\$22)," he said, taking him broom and limping along. "In the long run, we have to take care of ourselves."