

In 6 days, Labour Ministry brings over 9 lakh workers into banking fold

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CITU sees move as 'cover-up' for currency shortage

New Delhi, December 4:

In line with Prime Minister Narendra Modi's call for a 'cashless economy', the Labour Ministry said it had brought over nine lakh workers into the banking fold within six days of launching a campaign on November 26. However, trade unions, such as the Centre of Indian Trade Unions (CITU), see the move as a bid to 'cover-up' the ongoing currency shortage.

"It may be noted that already 25.68 crore Jandhan accounts are existing and all the leftover workers are being covered," the Ministry said in a statement, adding that till December 1, 2016, bank accounts of 9,15,431 workers were opened by organising 33,145 camps.

'Timing' of the move

The Ministry launched the campaign for workers, especially in the unorganised sector, such as construction, beedi, scheme workers, like Anganwadi, Asha, and cine workers who still do not have bank accounts, to inculcate in them the "habit of using cashless transactions".

However, CITU General Secretary and Rajya Sabha MP, Tapan Sen, commenting on the 'timing' of the Ministry's move, said trade unions had for long been demanding payment of wages to contract workers through banks, but the "sudden initiative of the Labour Ministry to get the contract workers and workers of unorganised sector to open bank accounts and channelise the wage payment through banks is not for any financial inclusion... but to supplement the crisis management owing to shortage of currency notes in market owing to demonetisation."

Survey report

In a statement, Sen pointed out that as per the Labour Ministry's own survey report, (5th Annual Employment-Unemployment Survey-2015-16), only 17 per cent of the employed workforce are wage-earners, of which 35.15 per cent are contract and casual workers.

"57.2 per cent of wage/salaried workers earn up to Rs. 10,000/month and 38.5 per cent of the contract workers and 59.3 per cent casual workers earn up to Rs. 5,000 or less."

Wage payment

He said: "introduction of salary payments to contract and unorganised sector workers, who have been paid so long in cash, means adding more people, particularly daily wage earners in the day-long queues before banks and reducing cash flow in their hands owing to restrictions imposed on cash withdrawals and also absence in workplace."

Wage payment restricted to banks at a time of currency shortage will lead to "unimaginable sufferings and distress" of this huge workforce, he said, adding that this should be done only after covering the entire country by banking services, including rural areas where only 35-40 per cent people are banked.

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