

Out of Bondage into Business

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India abolished bonded labour with the Bonded Labour System (Abolition) Act of 1976, and since that time, states have worked to identify, release, and rehabilitate bonded labourers. However, the practice has not disappeared. Debt bondage is a deeply entrenched practice that is closely tied to income and asset inequality, lack of gainful employment opportunities, migration, and social customs. According to the Ministry of Labour and Employment (MLE) in India, it is the labourers, small and marginal farmers, and artisans in rural areas that are particularly vulnerable to falling into this state. In 2008/09 alone, 268,136 bonded labourers were identified, released, and rehabilitated, and 65,573 of those were just in the state of Tamil Nadu.

However, according to MLE, "Freedom from bondage would be meaningful only when the uncertainty and insecurity associated with bondage is removed through productive and income generating schemes. In the absence of poverty eradication measures, the rehabilitated bonded labourers are likely to fall back into their original state of bondage." This is where programs like Tamil Nadu's Vazhndhu Kaattuvom Project (VKP) help former bonded labourers forge a new path away from the life that makes them vulnerable to such conditions in the first place. Two cases from Thiruvallur district in Tamil Nadu illustrate the impact VKP is having on these groups.



Members of the Village Poverty Reduction Committee (VPRC) of Palavakkam are members of the Irula tribe and were bonded labourers in a rice mill until an NGO secured their release in 2003. While they received rehabilitation benefits from the government and formed SHGs, they remained fearful of the outside world and saw little or no improvement in their opportunities or in the services they received. One lady described their position as being the last in line to sample an ice cream treat . . . they were

always left with the stick. They could not get service at the ration shop, did not know how to access services, and had few opportunities to work.

About two years ago, VKP entered their village—raising awareness of the project through cultural shows, auto rickshaw announcements, and meetings with community professionals. They reformed the SHGs along the project principles of inclusion, participation, equity, empowerment, and transparency. The SHGs began saving and planning. The VPRC was elected from among the poorest and began administering a village fund based on their participatory village development plan.

Now, the villagers, most of whom did not reach eighth standard education, are sending their children to school. They operate a ration shop, have their Tribal Welfare Cards, have gotten old age pension for 13 members, and are getting training and employment in a variety of professions (embroidery, tailoring, etc.). They also plan to form an economic activity federation to engage in dairying. Describing the changes in their community, the women said “we are not afraid anymore” and “VKP is like being in my mother’s house”.

In Kumarapettai, formerly bonded labourers in a weaving mill have formed the Kumarapettai Silk Cotton Sarees Federation. The idea of forming a weaving federation emerged from a livelihoods mapping exercise facilitated by VKP staff. Federation members use their own funds plus financing from the VPRC and a bank to finance their looms and materials. At least one member is an emerging community professional, who is showing talented for marketing in addition to community mobilization. The federation is building its brand and identifying more outlets to display and sell their products. They hope to operate their own retail outlet in time.



Through clear communication, mobilization, and capacity building and technical assistance, VKP is taking groups from being among the most vulnerable poor in India—bonded labourers—to being empowered communities with productive businesses.