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by

Sukhwinder Singh
Jaswinder Singh Brar

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Centre for Development Economics and Innovation Studies (CDEIS)
PUNJABI UNIVERSITY

India's Labouring Poor in the Unorganized Sector: Social Security Schemes and Alternatives

Sukhwinder Singh*
Jaswinder Singh Brar**

Abstract

The paper examines various facets of the social security apparatus for labouring poor working in India's unorganized sector. Besides discussing its rationale, it critically examined the actual functioning of various social security schemes for labouring poor in India initiated from time to time by the central and state governments. It also highlights that functioning of these schemes, both in terms of coverage and impacts, which varied widely across the states, and also within the given politico-administrative units. The efficacy of various social security schemes, in fact, depends upon plethora of factors because of the extremely diverse and heterogeneous nature of unorganized sector's workforce. The study highlight, albeit briefly, the main challenges in securing a minimum of social security system for all working poor and suggests some workable and alternate policy parameters for enhancing the effectiveness of state sponsored social security measures for the welfare of unorganized sector's workforce.

Keywords: Labouring poor, unorganized sector, social security schemes, workforce, economic growth, welfare funds

* Professor of Economics, Centre for Research in Economic Change, Punjabi University, Patiala-147002
** Professor of Economics, Centre for Research in Economic Change, Punjabi University, Patiala-147002

I. Introduction

India's shift to ‘outward looking strategy’ slowly in the mid-1980s and full-blown in the early 1990s has led to surging economic growth in the economy compared to the earlier phase/s of slow growth (GOI, 2013). This faster economic growth did not brought out a commensurate growth in employment opportunities for the labour force. For instance, during the last decade, i.e. 1999-2000 to 2009-10, employment growth was just 1.6 percent per annum compared to about 8.2 percent per annum growth rate (at 2004-05 prices) in India’s national income (GOI, 2013). This deceleration in the employment growth along with the declining share of organized sector’s employment opportunities have led to the exclusion of large sections of poor population from the benefits of faster economic growth. Still, a large proportion of population has been entrapped in poverty amidst rising employment opportunities for a fewer people. As per estimates of Tendulkar Committee, 37.2 percent of India’s population is living below poverty line in 2004-05 (GOI, 2009). The Saxena Committee Report puts the proportion of desperately poor around 50 percent in the same year (GOI, 2009). The National Commission on Enterprises in Unorganized Sector (NCEUS) also worked the proportion of poor and vulnerable people together in 2005 at 76.7 percent (NCEUS, 2007). Further, income and consumption inequalities, measured by the Gini coefficient, also show a rising trend across the states as well as rural and urban areas (World Bank, 2011; and Planning Commission, 2013).

Over-reliance upon the pro-capital economic policies, rising global integration, and liberalization of trade, capital flows and access to credit facilities have raised the powers of corporate sector enormously, which blatantly displaced a large number of peasants, agricultural labourers and tribal people from their occupations and made their livelihoods more insecure/vulnerable. This has created fear-psychosis amongst the poor which led to the emergence of resistance-movements at large number of places across the country, especially against the land acquisition for SEZs, express/highways, power and mining projects. Peoples’ active resistance and silent protest to this path have been observed in their opposition to the government’s initiatives leading to the defeat of different ruling parties/alliances at the general elections. Sensing this, the UPA-I led by Indian National Congress included these peoples’ problems/aspirations into its election agenda under the Common Minimum Programme (GOI, 2004) that had promised to enact certain laws/acts to ensure guaranteed employment and some sort of social security for the informal sector workers, if voted to power. After coming to the power (2004-09), UPA-I enacted two important legislative measures like National Rural Employment Guarantee Act (NREGA) 2005 and Unorganized Workers' Social Security Act (UWSSA) 2008. These acts provide to the poor and needy persons certain legal entitlements in these respective fields/arenas.

Even, the exclusion of poor and vulnerable from the fruits of faster economic growth was recorded in the Eleventh Five Year Plan (2007-12) in clear terms, when it states: "*these* p*ositive factors notwithstanding, a major weakness in the economy is that the growth is not perceived as being sufficiently inclusive for many groups, especially Scheduled Castes (SCs), Scheduled Tribes (STs), and minorities* (Planning Commission, 2007). The Twelfth Five Year Plan (2012-17) again reiterated these aspirations in its sub-title: *Faster, Sustainable and More Inclusive Growth* and puts emphasis on many programmes which either deliver benefits directly to the poor or increase their ability to access employment and income opportunities to be generated by the faster growth process (Planning Commission, 2013). It also favoured rapid economic growth for generating higher revenues to finance many critical programmes like NREGA and many social security schemes for labouring poor to achieve inclusive growth (Planning Commission, 2013).

In fact, these widespread resentments across the country-side were/are largely due to the lack of inclusive growth In India. At the same time, there is realization in the policy making circles that without making the poor and vulnerable people as the partners in the country's growth process, it cannot be a sustainable and beneficial. To control harmful consequences of the neo-liberal and pro-corporate policy, state financed social security measures again gained importance. The provisions of guaranteed employment for certain number of minimum days and adequate protection against the sickness, accident, disability and death have become essentially for dignified human existence. In fact, these securities are also now considered as the rights of citizens (ILO, 2010), especially for the poor of this country (World Bank, 2011).

The paper examines the context of social security measures taken/needed for India's labouring poor. The paper has been divided into seven sections. Section I introduced the problem. Section II examined the size of workforce employed in India's unorganized/informal sector in the context of overall economic development since the new economic policy of 1991. Section III presents a case for the need of social security for the workers employed in the unorganized/informal sector. Section IV discusses the social security initiatives taken by the Central Government for the labouring poor. Section V critically examined the social security initiatives taken by the state governments up to 2008.

Section VI dealt with important social security provisions likely to be created with the passing of UWSSA 2008. In the context of far-reaching socio-economic changes in India, certain suggestions and various social security alternatives has been elaborated in the last Section VII.

II. Size of India's Unorganized Sector Workforce

India could rightly be characterized as one of the few large and fast growing economies of the world with a vast informal sector, dominated by a large number of very small enterprises consisting of self-employed as well as hired labour, without any employment and/or social security (Breman and Kannan, 2013). The NSSO's survey for the year 1993-94 had estimated India's total workforce equal to 335 million; of which around 27 million (8.1 percent) were in the organized sector and the balance 308 million (91.9 percent) in the unorganized sector (Planning Commission, 2001). The data in Table 1 revealed that out of total 396.4 million workers employed in India during 1999-2000, just 33.6 million (8.5 percent) were working in the formal sector, where some sorts of social security measures are applicable, and the rest (362.8 million; 91.5 percent) was working in the informal (unorganized) sector. In 2009-10, India's total workforce was estimated to be around 460.4 million adults and minors, of which an overwhelming majority of workers (423.1 million; 91.9 percent) dependent upon the informal economy for their livelihood. These estimates also reveal that employment in India's organized sector, in relative terms, did not increase, despite a surging economic growth achieved in the last two decades. Instead, a substantial proportion of employment has been generated in the informal sector, where the non-regular and casual jobs are ruling a roost.

Table 1: India's Total Workforce Employed in Formal and Informal Sectors

Year	Employment of Workforce by Sector (Figures in millions)		
	Informal	Formal	Total
1999-2000	362.75 (91.5)	33.64 (8.5)	396.39 (100.0)
2004-2005	422.61 (92.4)	34.85 (7.6)	457.47 (100.0)
2009-2010	423.17 (91.9)	37.25 (8.1)	460.42 (100.0)

Source: NCEUS, 2009; Kannan, 2012.

For the first time, India's NCEUS tried to define unorganized sector's workforce as those workers who are either earning their livelihoods while working in the unorganized enterprises or the households without any security of job or working in the formal sector without any employment/social security benefits provided by the employers (NCEUS, 2009). The NCEUS also classified the population as per the various poverty bands or groups and reported that, in 2005, around 76.7 percent of Indian people were living below the poverty line - that is two times high than that of the official poverty ratio (37.2 percent) – which was equivalent to the international poverty line of two dollars (at Purchasing Power Parity) per capita per day (NCEUS, 2009). A recent exercise using the same threshold level of poverty found that nearly 69 percent of India's population in 2010 is still living below the international poverty line (Kannan, 2012). These statements make it clear that most of the informal sector workers fell in the category of the poor and vulnerable. Further, the informal sector workers at large, as the NCEUS argues, do not enjoy employment security (no protection against arbitrary dismissal), work/employment security (no protection against accidents and health risks at the workplace) and social security (pensions, maternity and health benefits) measures (Breman and Kannan, 2013).

It is indeed true that all those working in informal economy do not suffer this kind of precariousness associated with the labouring poor. A small fraction of them is even quite well-off and living in the comforts of assets and high earnings which do not show up in the formal statistics (Kannan, 2010; Breman and Kannan, 2013). On the downside, the informal sector workforce is full of poor and ultra-poor - a class of destitute people that survive or die in a condition of pauperism (Sengupta, et al. 2008). Taking into account these aspects, Breman and Kannan estimated nearly 300 million Indian workers falls in the brackets of the labouring poor or vulnerable (Breman and Kannan, 2013). The problems of such workforce are also compounded further by a big gap in the coverage and lack of institutional social security schemes in this sector.

III. Case for Social Security in Unorganized Sector

The most significant feature of India's unorganized sector workforce is that it is so much scattered and fragmented in terms of (i) occupation (small/marginal farmers, share croppers, landless agricultural labourers, fishermen, beedi (rolling/labeling/packing) workers, building/construction workers, etc.); (ii) nature of employment (regular, seasonal, attached agricultural labour, bonded labour, migrant labour, contract labour, casual labour, part-time, etc.); (iii) category of service (midwives, domestic maids/workers, fisher men/women, barbers, street vendors (fruits, vegetable, newspaper, etc.), etc.; and (iv) specially distressed categories (toddy tappers, scavengers, night soil carriers/head loads, drivers of animal driven vehicles, loaders/un-loaders, etc. These categories of workers are not only poor or vulnerable, but also the victim of seasonality of employment, job insecurity, low literacy levels, indebtedness bondage, low on legislative protection and social security across various contingencies, viz. old age pensions, death/disability, employment injury, medical care, etc.

Not only scattered and fragmented, the informal workforce is also not unionized or least organized. Along with this, lack of institutional back-up and multiplicity of benefits reduces their bargaining power and ability to enjoy full benefits of acts/legislations and adds to their livelihood woes. Being unskilled or low/semi-skilled, they face hostile environment in climbing vertical occupational ladder to improve their financial position. The growth of informal, casual, and unprotected jobs with shrinking formal employment compels these workers to bear more direct burden of financing their social needs, with adverse impacts on their quality of life. That burden, in the absence of social security, may also undermine the capacity of enterprises, where they were employed, to compete with global economy. Such adverse consequences build a strong case for need base social security system, particularly in the state sector. However, India is yet to evolve a comprehensive national social security policy for its entire working population, warns the NCEUS report (NCEUS, 2006).

Advocating a broader policy framework, the NCEUS and many other scholars (Dreze and Sen, 1989; Dev 2001; Kannan, 2010) suggested a three-tier approach to social security in India. First and foremost is the need for universal programme/s for human development that must address the 'creation and enhancement of human capabilities by offering entitlements to all citizens funded by the public exchequer'. At the second level, importance should be given to what they called the basic social security measures (food, health, education, etc.) to all the poor citizens - referred a 'promotional social security measures'. At the third place is a combination of these two types backed by empirical evidence on the poverty and insecurity. In the Indian context, one can listed a number of social security schemes that are in operation in first category, though the recently initiated scheme (NREGA 2005) with rights based statutory backing is the biggest one (Reddy, 2013).

IV. Central Government Initiatives up to 2008: Weak and Piece-Meal Approach

Till 2008, there was no worthwhile social security scheme, having a wide coverage, for the working poor, especially for those working in India's informal economy. Though some efforts were made by the Central Government to provide a minimum level of social security to the labouring masses, but these efforts were proved inadequate, half-hearted and piece-meal exercises. Gauging the enormity of problems, these social security initiatives did not address many basic problems of the laboring poor. As already reported, only few important social security measures - started by the Central– has been analyzed in this section. It is significant to note down that before the enactment of UWSSA 2008, various social security schemes started by the Central Government, with a leadership role to the state governments, were very few in numbers, with weak finances and very limited coverage.

To begin with, there were five welfare funds to provide some social security to a select group of mine workers, beedi workers and cine workers. These are: (i) The Mica Mines Labour Welfare Fund Act of 1946; (ii) The Limestone and Dolomite Mines Labour Welfare Fund Act of 1972; (iii) The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act of 1976; (iv) The Beedi Workers Welfare Fund Act of 1976; and The Cine Workers Welfare Fund Act of 1981 (Planning Commission, 2001). Some of these funds are hardly in operation (e.g. dolomite mine workers) or cover very category of workers (Kannan, 2010). Finances for these funds are collection through the cess on mica export, export of iron ore, internal consumption of iron ore, manganese ore and chrome ore as well as limestone and dolomite.

Of these, only beedi workers' welfare fund is significant (nearly 45 million beedi workers in the county). This fund is being financed by levy of cess @ Rs. 2 per thousand of manufactured beedis (Planning Commission, 2001). These funds are utilized to provide various kinds of welfare amenities to the workers in the field of health care, housing, educational assistance for children, drinking water supply etc. For instance, medical assistance provided to the beedi workers under the welfare fund includes purchase of spectacles, reservation of beds in T.B. hospitals, treatment and subsistence allowance in the case of tuberculosis, reimbursement of expenditure up to Rs.1.0 lakh for heart disease and kidney transplant, maternity benefits @ Rs.500/- for delivery to a female beedi worker for first two deliveries and assistance for family welfare. Further, under Group Insurance Scheme, a beedi worker is entitled to Rs.3, 000/- in the case of natural death, Rs.25, 000/- due to accidental death/total permanent disability and Rs.12, 500/- in the case of partial permanent disability. The premium of Rs.18 per worker per annum is equally shared by the Beedi Worker Welfare Fund (BWWF) and 'Social Security Fund' of the Central Government.

The worst point of Beedi workers scheme is that the coverage is restricted to 'employees' in the beedi factories, so many workers cannot get such benefits because a large number of workers, especially the women, work from their homes termed as 'self-employed'. Similar is the fate of other welfare funds. The most unfavorable point about all these welfare fund is that no official published sources are available that provide information on the actual number of workers covered and types of benefits received on a regular basis by such workers under any of these five welfare funds created and administered by the Central

Government (Kannan, 2010). It means that these funds have, with limited coverage and weak institutional capacity, unable to fulfill the multi-facet social security needs of laboring poor.

Many new social security schemes like Janshree Bima Yojana (life insurance), Varishta Pension Bima (old age pension insurance) were introduced, but these schemes, by and large, proved ineffective either due to low coverage of informal sector workers or unable provide any meaningful benefits in the contingencies. Most of these schemes were contributory and voluntary in nature. The Janshree Bima Yojana (life insurance), introduced in 2000 to target the urban and rural poor who live below the poverty line or on the margin. The premium of Rs.200 is to be paid, one-half of which contributed by the Central Government and the remaining half by the individual or the state government or the nodal agency. An insurance person aged between 18-60 years is entitled to get Rs. 20000/- for natural death; Rs. 50,000/- for death or total/permanent disability due to accident/injury and Rs. 25,000/- for partial disability. This scheme met with only very limited success. Another scheme called Varishta Pension Bima (old age pension insurance) was launched in 2003 for unorganized sector workers aged 55 years and above. It is a fully financed through the investments by the beneficiary to receive a pension ranging from Rs.250 to Rs.2000 per month depending on the total investment based on a guaranteed 9 per cent return to be implemented by the LIC. This again has met with only limited coverage. Again, a social security scheme for unorganized sector workers was introduced in 2004 on a pilot basis. Its coverage was restricted to 50 districts as per the recommendations of the Second National Labour Commission for providing old age pension, medical and personal accident insurance, but it was subsequently discarded because only 3,500 workers enrolled under the scheme (Kannan, 2010).

Another ambitious scheme known as Universal Health Insurance was started in 2004. The scheme was to be implemented jointly by the four public sector general insurance companies. The target group was the persons and families living below the poverty line with a premium of Rs.165 and Rs.248 respectively. The scheme was an attractive one because nearly ten million persons were reported to have been enrolled by 2006. A couple of occupation-specific schemes were also initiated by the Central Government. One such scheme is for Handloom Weavers and Artisans with provisions of a thrift fund, insurance for sickness, maternity benefits, accident and loss of dwelling and a pension plan restricted to the master craftsmen. The other was the Krishi Samajik Suraksha Yojana (Agriculture Social Security Scheme) launched in 2001 limited to just 50 identified districts to cover a million agricultural workers. The LIC, as the implementing agency, was entrusted to provide insurance cover for death and accidents and survival benefits on a periodic basis. In this scheme, a worker was expected to pay a contribution of Rs. 30/- per month and another Rs. 60/- was to be paid by the government. Again, the scheme was closed in 2004 as the government could not keep its promise.

Another initiative by the Central Government was the enactment of umbrella legislation for the construction workers in the form of two Acts, namely, The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and The Building and Other Construction Workers Welfare cess Act of 1996. Since these Acts were enabling in nature, the state governments were expected to come up with their own legislations and create mechanisms for providing the specified social security benefits to meet such contingencies as accident, old age, housing loans, insurance premium, children's education, medical and maternity benefits. Still, a majority of states have not come up have come up with the required legislations even after 16 years. Only two states – Kerala and Tamil Nadu - have a really functioning mechanism. In fact, Kerala gave the lead in such legislation even before the Central Government. A report of the NCEUS gives a detailed account of these initiatives and their characteristics in terms of coverage, benefits, etc (NCEUS, 2006).

V. State Specific Initiatives up to 2008: Limited by Design but Having Success Stories

As per Indian Constitution, social security and labour matters are in the Concurrent List, where both the Central and state governments have the power to legislate – although the central laws having an edge. One can see numerous labour legislations and other social security schemes in each state. All schemes/initiatives in the realm of social security started in each state, either based on the laws/acts or on administrative measures (India has 28 States and 7 UTs; each state/UTs numerous schemes), cannot be reproduced and evaluated here. A close perusal, however, suggests that the core contingencies of informal sector workers are neglected in the most of states. But, there are some exceptions –Kerala, Tamil Nadu, Gujarat, Andhra Pradesh, Maharashtra, MP, to some extent Punjab, etc.

The most notable success story is of the Kerala state which has a fairly long history of labour movements that has included the most, if not all, of workers to whom the UWSSA 2008 calls the unorganized/informal sector like the agricultural labourers, toddy tappers, coir workers, construction workers and so on. The model adopted by Kerala is that of 'welfare fund model' which has now become a shining example for other states whenever the social security arrangements have been thought of. One saw its (welfare fund model) evolution in the Kerala's rich history of labour movement (Kannan 1992). The process of setting up 'welfare funds' for informal sector workers working in different occupations/economic activities since 1969 has been still continuing (35 funds has been created till now). The latest case is of the Social Security for Unorganized Workers that intended to cover all those workers who have hitherto not been included in many occupation-specific welfare funds. Further, most of these welfare funds have statutory backing and are functioning with or without state government's financial support. Almost all of them, however, have a contribution, even if nominal, by the workers. The employers' contributions are either collected from them wherever they are identifiable and easy to collect or through the imposition of cess when such employers are not visible or transient. In terms of coverage, core contingencies like the old age, sickness and death are covered. Many more like children's education, daughter's marriage' and even 'funeral expense' are taken care of.

Tamil Nadu could be ranked two in terms of the coverage and social security benefits to the informal sector workers by including many categories of workers like construction workers, washer men, hairdressers, tailors, palm tree workers, handicraft workers, footwear and leather workers tannery workers, handloom workers, taxi and auto-rickshaw workers and artists. Initially nine occupation-specific welfare funds and boards were created for the above mentioned groups which were later consolidated into Manual Workers Social Security and Welfare Board in 2004. In addition, there is a separate Welfare Board for Construction Workers established in 1995.

Apart from the Kerala and Tamil Nadu, many other states have social security legislation/s with an intention, if not for actual coverage, to cover the informal sector workers. In these states, however, some specific types/groups of informal workers were able to secure a social security arising out of regional socio-political situations and movements in a particular state. The first notable scheme is being implemented in Maharashtra for the welfare of Mathadi Workers – head load workers engaged in the loading/unloading of goods in Maharashtra. They have a body called the Mathadi Workers' Welfare Board created by a state legislation in 1969. Entirely financed by imposing levy/cess on the employers for whom the worker works. There are now around 50 thousand registered employers with 150 thousand registered workers under 39 different Mathadi Boards in the state. Apart from regulation of the conditions of work, the Boards provide social security cover to member workers with respect to health and sickness, accidents, injury and death, housing and education of children. The Mathadi Boards have set up two hospitals and 12 dispensaries. However, such a well tested working organizational model (ILO eulogized its success) does not extended to the numerous other segments of the informal workers in the state or elsewhere.

Unorganized Labour Welfare Fund Act 2002 of Andhra has enrolled nearly one million workers mostly belonging to the small factories, shops and other tiny establishments. Apart from workers' contribution, the welfare fund gets grants from the state government also. The intended benefits are in the form of medical aid to workers, funeral expenses and assistance for children's education. Rajiv Aarogyasri (Community Health Insurance) Scheme of Andhra caught authors' attention which is designed to solve health problems of the poor households. It was introduced in 2007 with per family medical care benefits up to Rs. 2 lakh a year on family floater basis. In addition, reimbursement limit in the case of high cost surgeries like cochlear implants, auditory verbal therapy, etc. is up to a maximum of Rs. 6.5 lakh for each case (Vijay, 2013). By 2010, total 938 surgical and medical procedures were covered in the scheme. Approximately, 20.4 million families and 70 million beneficiaries were covered by the scheme, which is about 85 percent of total population of the state (Reddy et al., 2011).

Punjab, a predominantly agrarian and high income state, has taken some noticeable social security initiatives. The most notable social security measure is the grant of pensionery benefits to the poor and destitute. For instance, pensions for old people (in 1964), widows/destitute women and dependent children (in 1968); and disabled persons (in 1982) along with financial assistance have been started much earlier; whereas such pensions were not imagined by ant state government in India. The Central Government has taken cognizance of such pensionery benefits very recently and started such pensions. For instance, monthly pensions for old age and widows/destitute women were implemented in 1995 and for the dependent children/disabled persons in 2009. Further, in Punjab, more than 18 lakh persons were getting state sponsored pensions (Rs. 250/- per month) by March 2010 and, 1.64 lakh persons were covered by the Central Government scheme (Gill, Singh and Brar, 2013). Although the Punjab state has granted many financial benefits to the farmers (free electricity and irrigation water), yet the state is notorious for looking after the social security needs of the farmers, agricultural labour, industrial labour and others workers employed in the informal sector. Except for the too little amount of pensions, there is no worthwhile social security measure for these working poor or non-labouring poor. For instance, state agriculture department, since 1984, is running a patchy scheme with funds from the Marketing Committees/Mandi Boards to provide financial assistance to the farmers and labourers in the case of death or disability/injury during work like operating agricultural machinery/implements (including electric motors), digging of tube well, snake bites, and using insecticides/pesticides. The financial assistance is equal to Rs. 75,000/- for death cases, Rs. 30,000/- for partial disability/serious injury (loss of one leg/eye/arm), Rs. 45,000/- (loss of both eyes/arms/legs), Rs. 30,000/- (loss of four fingers or one arm) and Rs. 7,500/- to Rs. 22,500/- (loss of finger/s).

Surprisingly, the West Bengal's experience in creating statutory social security provisions for informal workers is quite depressing, despite having a long and continuing (1977-2010) rule of a pro-worker government. Whatever has been introduced recently is so meager compared to the Kerala state, where a similar ideological coalition comes to power alternately, stated by many independent observers (Kannan, 2010). It was only in 2001, the West Bengal Government enacted legislation for unorganized workers, but it was just confined to the creation of a provident fund facility for all wage and self-employed workers aged 18-55 years subject to an income ceiling Rs. 3500 in few areas of informal sector units. The worker is to contribute @ Rs. 20 per month with an equal contribution by the state government. The government notifies 50 industries in the unorganized sector and 16 self-employed occupations to be covered in phases. However, not more than 5 percent of the total informal workers in the state have been covered so far. The West Bengal has also enacted a Building and Construction Workers (Regulation of Employment and Conditions of Service) Act in 2004. A Board has been set up to implement the Act but its activities are yet to assume a significant scale primarily in terms of coverage of workers and collection of a building cess.

Another surprising behavior is of the Gujarat state – a typical capitalist state as its development ideology has never been pro-worker (Mahadevia, 2013). In fact, state's social security provisions seem to be very weak (Breman, 2013) and of recent origin. Of the two important institutional mechanisms taken recently, the first and most prominent is the creation of Gujarat Unorganized Workers Welfare Board (GUWWB) in 2007 which administers group insurance schemes for landless agricultural labourers, fishermen, forest workers, and salt workers. These schemes provide some financial compensation in the event of death or disability of such worker. The GUWWB located at Ahmadabad, where about 16.34 million workers were engaged in informal sector, just 63,467 workers (0.38) were registered with this board (Mahadevia, 2013). The another one is creation of a welfare scheme for salt workers, which does not directly address the social security, but provides assistance to establishing health centres, crèches at worksites and financial assistance for housing. Very recently, the state government has taken some initiatives in establishing a department for unorganized sector workers with a view to provide a measure of welfare and social security (Mahadevia, 2013). The critics, however, pointed towards the weak impacts, notably by Jan Breman who brings out the underbelly of this pro-capital growth process in terms of the exploitative and undignified conditions of work and existence of a vast mass of labouring poor (Breman, 2008; Breman, 2013). This has been manifested, among other things also, in the state which can safely be termed as one of the low level wage rate across states especially for those living in the rural areas and tribal belt (Joshi, 2013).

Most other states may not have any statutorily backed social security provisioning especially to fulfill contingent demands of informal sector workers. Few states have some schemes to extend assistance of one kind or another with some patchy achievements here and there. Details of state-wise schemes are made available in the report prepared by the NCEUS (2006). However, as an exception to this patchwork of social security provisioning in these states, pensionery provisions under the National Social Assistance Programme (NSAP) for ageing people (since 1995), window/destitute women (since 2009), disable persons (since 2009) and certain family benefits (since 1995) are now prevalent in almost all states of India although these benefits are mainly confined to the poor and destitute. All over India by 2010-11, 170.6 lakh persons were getting old age pension, 34.3 lakh as widow/destitute pension, 13.3 lakh as disabled persons and 3.35 lakh as the NFBS beneficiaries. The overall progress of these schemes is reproduced in Appendix-A. From April 01, 2011, eligibility age for old age pension has been reduced to 60 years and pensionery benefits is still Rs. 200/- per month up to 79 years age, but rose to Rs. 500/- per month for aged beneficiaries (80 years and above). Accordingly, the upper age limit for receipt of widow and disability pensions (Rs. 200/- per month each) reduced to 59 years beyond which they automatically transferred to old age pensions.

By transferring the NSAP to state plan schemes, the beneficiaries are expected to gain an equal amount when they become eligible within that state. Although whatever is given as monthly pension may not be sufficient to cover even half the monthly expenditure requirements to cross the official poverty line, but it good effort because coverage is large. Already, some states have added their contribution and enhanced the pension amount in addition to lowering the eligible age from 65 years to 60/58 years (e.g., Punjab, Haryana, etc.). But, the most important mute question is how these schemes are to be sustainable at the state levels. It is indeed true that, in the absence of legal entitlement, inadequate provisions of funds and political commitment, the true benefits of these schemes could not percolate to the masses. Moreover, these schemes (transitional in character) are not enforceable by the laws, whereas the legislative acts are enforceable by courts (Kannan, 2010; and Gill, Singh and Brar, 2013).

VI. Unorganized Workers' Social Security Act 2008: A Step towards Universal Coverage

Passing of the UWSSA 2008 was indeed a revolutionary step (some say, a modest attempt; Kannan, 2010) to create a dedicated social protection environment for the unorganized workforce. The Act mandated the Central Government to formulate and notify suitable welfare schemes, from time to time, for the welfare of workers of the unorganized sector on matters relating to (i) life and disability cover; (ii) health and maternity benefits; (iii) old age protection; and (d) any other suitable benefit. It provides for the registration of unorganized workers to facilitate the formation of social security schemes for the particular profession/s. The Act also allows the state governments to formulate and notify, from time to time, suitable welfare schemes for unorganized workers, including the schemes related to (i) provident fund; (ii) employment injury benefit; (iii) housing; (iv) educational scheme for children; (v) skill up gradation of workers; (vi) funeral assistance; and (vii) old age homes.

The Act also provide a Schedule I specifying ten schemes (eight already ongoing and two relatively new) as proof of government's commitment to formulate new schemes. These are (i) Indira Gandhi National Old Age Pension Scheme, (ii) National Family Benefit Scheme, (iii) Janani Suraksha Yojana, (iv) Handloom Weavers' Comprehensive Welfare Scheme, (v) Handicraft Artisans' Comprehensive Welfare Scheme, (vi) Pension to Master Craft Persons, (vii) National Scheme for Welfare of Fishermen and Training and Extension, (viii) Janshree Bima Yojana (Public Insurance Scheme), (ix) Aam Aadmi Bima Yojana (Common People Insurance Scheme), and (x) Rashtriya Swasthya Bima Yojana (National Health Insurance Scheme). Though all schemes listed here are significant, yet the two schemes have the potential to cover a much larger segment of unorganized workers - the health insurance scheme and life insurance scheme for rural landless households - but currently are restricted to 'below the poverty line' and rural landless households respectively.

This Act empowers the Central Government to notify any new scheme to be funded entirely by the centre, or partly by the state government and partly by the centre, or partly by the centre, partly by the state government and partly through contributions from the beneficiaries or the employers as may be prescribed by the Central Government in the scheme. This Act also empowered the Central Government to constitute a National Social Security Board (for a term of 3 years) and State Boards to exercise the powers and functions conferred on them. Earlier, lack of these provisions exposed the workers and their families to adversities of sorts like food insecurity, employment loss, old age, injuries/deaths, sickness, etc (Kannan, 2010).

No doubt, this national legislation is an important first step for the universal coverage (i.e. coverage of all unorganized workers with limited economic means) of the laboring poor under minimum social security umbrella. The biggest problem will be its implementation in India because the neo-liberal lobby within the government and of resource-rich corporate sector that opposed such legislation right from the beginning may put extra efforts to water down, indeed puncture, a right-based social security entitlements at every stage. The critics also pointed certain weak points in the act: First, the act, by nature and content, is an enabling legislation because it states that 'The Central Government shall formulate, from time to time, suitable welfare schemes for unorganized workers ...', not a mandatory in nature; (ii) Second, no provision has been made to create dedicated social security fund as suggested by the NCEUS in its pious proposals (Kannan, 2010); and third, no norms has been worked out to providing a common or minimum social security system in each state. It means that the act does not provide for an empowered implementing body. It only stated the formation of national and state level social security boards that are basically advisory in character. Moreover, given the poverty, illiterate and low educational level of a majority of unorganized workers and the general public, one can put a question mark on the success of this act's intended proposals.

However, this act has evoked considerable interest among the unorganized workers on the one hand and the state governments – implementing agency – on the other. In fact, certain schemes like health insurance scheme for the BPL families (Rashtriya Swasthya Bima Yojana) and life insurance for rural landless households (Aam Aadmi Bima Yojana) has been welcomed by the most states enthusiastically. The attractive features of health insurance scheme are: (i) the beneficiary is insured for cashless indoor treatment of existing as well as unforeseen ailments in paneled health centres (public or private) up to Rs.30, 000 per annum for him/her and family (up to any five member); (ii) the whole insurance premium will be provided by the central and state governments in the ratio of 75:25 (in hilly state, 90:10); (ii) the beneficiary is just to pay Rs. 30/- while issuing a smart card; and (iv) the scheme empowers the beneficiary, particularly migrant worker through portability facility of smart card system which would entitle him/her to avail of hospital services in any designated hospital across the country. Between October 2007 and May 2009, 22 States and Union Territories have initiated the process to implement the scheme. 17 of them have started issuing smart cards resulting in the issue of 4.18 million smart cards covering 20.9 million persons. The other scheme, which has evoked a similar response, relates to insurance cover for natural/accidental death and disability due to accidents *(Aam Aadmi Bima Yojana)* for rural landless households. Between October 2007 and December 2008, 6.03 million persons have been covered by the scheme. The scheme is being implemented by the Life Insurance Corporation of India, a public sector insurance company of long standing repute.

VII. Critical Evaluation, Suggestions and Alternatives

The analysis clearly highlights that social security measures adopted by a nation have far-reaching benefits in the form of improving living conditions; raising productivity levels; and promoting sense of pride/self-respect amongst the citizens. The nature, extent and forms of social security are largely mandated by the constitutional principles. Further, the social security system developed so far in the country is undoubtedly favouring the formal sector workers who enjoyed many known benefits, despite many weak points in their delivery (Kannan, 2010). This system has been created under political mobilizations, at different times, by enacting labour legislations/acts. These acts indeed provided much needed social security benefits (security of job, superannuation benefits, compensation for injury/disability/death during work, maternity benefits, medical care, etc.). Actually, the formal sector workers, having leverage of collective bargaining and political power, are able to secure these benefits from the employers and state governments.

On the flip side, an overwhelming proportion of workforce employed in unorganized sector (above 90 percent) did not enjoy any worthwhile social security till the passing of UWSSA 2008. Before that, whatever social security measures undertaken by the central and state governments were very weak, patchy, limited by design and coverage. Moreover, many of these were fall in the category of piece-meal approach. Although there are many successful experiments both in terms of coverage and intended benefits at the state levels, particularly in the Kerala, Tamil Nadu, Maharashtra, Punjab, etc., but the most of social security schemes suffered due to inadequate state finances, statutory backing, administrative clumsiness, the poverty and indifferent attitude of beneficiaries, and so on.

The latest initiative (enacting UWSSA 2008) of the Central Government is a revolutionary step towards universal social security coverage of informal sector workforce. The act, the first time, mandated the Central Government to formulate and notify suitable welfare schemes, from time to time, for the welfare of informal sector workers on matters relating to (i) life and disability cover; (ii) health and maternity benefits; (iii) old age protection; and (d) any other suitable benefit. It provides for the registration of unorganized workers in the particular profession/s. The act also allows the state governments to formulate and notify, from time to time, suitable welfare schemes for unorganized workers, including the schemes related to (i) provident fund; (ii) employment injury benefit; (iii) housing;(iv) educational-benefits for children; (v) skill up gradation of workers; (vi) funeral assistance; and (vii) old age homes.

The critics still doubted its smooth implementation because of non-mandatory approach, no standardization of social security norms, lack of statutory fund, etc. Moreover, the act did not provide for an empowered implementing body. It only stated the formation of national and state level Social Security Boards that are basically advisory in character. Moreover, given the poverty, illiterate and low educational level of beneficiaries and general public, one can put a question mark on the success of this act's intended proposals. Still, the act has evoked considerable interest across the beneficiaries - unorganized workers and the state governments as its two schemes like health insurance scheme for the BPL families and life insurance for rural landless households has endorsed by the most states enthusiastically.

Given the present political set-up, global integration of economy and successes/failures of various social security schemes, it is now recommended that India must have a clear National Policy on Social Security Provisions for different groups of workers and employees in the country. Further, it is suggested that the state must initiate steps to simplify and rationalize the social security labour laws, and integrate these into the overall state economic philosophy for bringing new and innovative social security system as per the changing socio-economic environment of each state. At the same time, the existing legislative framework must be strengthened to protect the interests of the labour in the unorganized sector. Moreover, an integrated comprehensive social security system/mechanism should be evolved by having a single legislation covering all existing social security schemes.

Adequate state funding for social security schemes is another significant factor that needs reforms. It is recommended that the state must raise adequate funds to finance new and innovative social security schemes in India. Further, the contributory social security schemes - financed partly by the employers, employees and governments - must be encouraged. India's experiences also show that the scheme/s where the workers are contributing and managing it is/are relatively more successful. The workers participation, in fact, strengthens given social security environment, and generates participation spirit and confidence among the workers, which ultimately enhance their productivity as well as sustainability of social security scheme/s. The experiences of developed countries also show that all those social security schemes are more successful and self-sustaining where the workers are contributing more and the state is the least contributor. Here is a caveat for Indian scenario! The informal sector workers, being the poor, less educated and less mobile, generally fall prey to the unscrupulous investors/manager and the *ponzy* schemes. It is therefore recommended that the Central or state governments in association with the Workers' Associations, Self Help Groups, and the NGOs must be involved in administering social security schemes.

It has been observed that a large number social security schemes are being run by the Central Government or state government or other agencies. The problem is related to the registration and coverage of eligible categories of workers under any given social security scheme. In the absence of nationally unique numbers, each agency that registers such workers and delivers benefit allots its own separate number, none of which are nationally unique. Often, it leads to double counting, double benefits and cumbersome process of disbursement. Therefore, it is recommended to issue a nationally unique permanent number with portability facility to encourage labour mobility across locations, across work and across employment, whether in the formal or in the informal sector. Such number must have the appropriate algorithm and technical structure which will be able to detect duplication in the registrations.

Regarding existing act/schemes and programmes started to provide social security benefits, it is recommend that (i) extend the coverage of these schemes by lowering the threshold level of employment strength and wage ceiling in the factories/establishments to bring uniformity at all-India basis; (ii) introduce new schemes/programmes of labour welfare by allowing self-financing schemes on self-sustaining pattern by involving the local bodies and workers themselves; (iii) allow and encourage the Cooperatives, Self-Help Groups, and Workers' Associations to set-up, finance and manage few social security schemes, on experimental basis, for the unorganized sector's workforce; (iv) identify and rectify the gaps, omissions, and deficiencies in the existing social security arrangement by encouraging bottom up participatory approach; (v) allow the convergence of identical schemes implemented by the various agencies and department of the central/state governments; (vi) organize social awareness campaigns and dissemination of information to workers about the long-run benefits of these schemes, particularly the workers in the unorganized sector; (vii) put more emphasis to address the educational, health and housing needs of the workers in the unorganized sector; and (viii) involve local institutions like civic bodies/municipalities and Panchayati Raj Institutions for the implementation and monitoring of social security programs.

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Appendix –A

Number of Beneficiaries of Pension in India by Category, 2002-03 to 2010-11

Year	Number of Beneficiaries				Finance (Rs. in crore)	
	Old Age	Widow/Destitute	Disabled	NFBS	Allocated	Released
2002-03	74,71,509	**	**	85,209	680.0	657.1
2003-04	65,34,000	**	**	209,456	679.9	602.3
2004-05	80,79,386	**	**	261,981	1189.9	1032.0
2005-06	80,02,561	**	**	272,828	1190.0	1189.7
2006-07	86,45,371	**	**	171,232	2480.8	2489.6
2007-08	115,14,026	**	**	334,168	2891.5	2889.7
2008-09	154,83,836	**	**	395,460	4500.0	4500.0
2009-10	163,33,578	32,13,467	6,99,680	343,726	5200.0	5155.5
2010-11	170,59,756	34,25,390	13,28,310	334,924	5162.0	5162.0

Note: ** IGNWPS and IGNDPS were started in February 2009.

Source: Ministry of Rural Development, Government of India, New Delhi.

Centre for Development Economics and Innovation Studies, Punjabi University, Patiala

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