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Working Paper Series
Paper No.3/2001-PC

SOCIAL SECURITY IN INDIA
(AN ALTERNATE APPROACH)

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PLANNING COMMISSION
GOVERNMENT OF INDIA
JUNE, 2001

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SOCIAL SECURITY IN INDIA : AN ALTERNATIVE APPROACH

Introduction

The concept of Social Security has evolved out of mankind's quest for protection from hazards arising out of vagaries of nature in the primitive societies and from hazards arising out of life and work in the modern societies.¹ In primitive societies the main contingency for which protection was required was due to natural calamities like floods, earthquakes, tornadoes , blizzards, famines and so on. People faced these hazards by mutual help and assistance to each other. In the beginning, the communities rendered such help, subsequently joint family system provided security in times of need. From these modest beginnings, the concept of Social Security continued to evolve until it was accepted that ' it is the society which must protect citizens when they are not able to work due to no fault of theirs' ². Accordingly, most of the developed countries have developed their own comprehensive social security systems, covering all eventualities from conception / birth till death. They include - pre-natal and maternal benefits; paid leave for feeding and care for children; medical care for the entire family; sickness benefits; invalidity pensions; unemployment benefits; family allowances; old age and survivor's pensions and funeral grants.

The ILO Concept of Social Security

2. At present, ' the concept of Social Security is based on the recognition of the fundamental social right guaranteed by law to all human beings who live from their own labour and who find themselves unable to work temporarily or permanently for reasons beyond their control ' ³ At the international level, the preamble of the Constitution of ILO also referred to the need and protection of workers against sickness, disease and injury arising out of their employment, pensions for old age, protection of the interests of the workers where employed in countries other than their own. Thus, the

The views expressed in this Paper are the personal views of the Authors and do not necessarily reflect those of the Planning Commission. The help extended by Shri Mohan Singh, Director, Health & Nutrition Division in calculating the estimated cost relating to Health in the suggested Model is duly acknowledged.

right to Social Security was recognized officially for the first time. Subsequently, the UN General Assembly, while adopting the Universal Declaration of Human Rights also recognized the right for Social Security by stating that every member of the society has a right to social security. This right has also been incorporated in one form or the other in the Constitutions of many countries, including India.⁴

3. Later, the concept of Social Security has been further widened so as to include provisions for housing, safe drinking water, sanitation, health, educational and cultural facilities as also a minimum wage which can guarantee workers a decent life. It is now widely believed that Social Security can act as a catalyst for social transformation and progress. As Francis Blanchard, the former Director General of ILO has appropriately said, Social Security is an instrument for social transformation and progress and must be preserved, supported and developed as such. Furthermore, far from being an obstacle to economic progress as is all too often said, social security organized on a firm and sound basis will promote progress, since once men and women benefit from increased security and are free from anxiety for the morrow, they will become more productive.⁵

Evolution of Social Security in Developing Countries

4. The Industrial Revolution in the Eighteenth and Nineteenth Centuries which led to production of goods on a mass scale forced the European countries to find markets in other parts of the world. While Spain and Portugal annexed countries in South America, Britain annexed countries in Africa and Asia. Initially the annexed countries were used as dumping grounds for goods produced. Later due to exigencies in the communication, industries had to be developed to some extent in these countries. This led to the birth of working class in these countries. Unfortunately, the colonialists exploited the workers to the maximum and did not do anything worth for the good of the working class, though comprehensive social security systems existed in their own countries right from the beginning of the twentieth century. It was only after the Second World War that some steps were taken in the field of Social Security in both African and Asian Countries.

Social Security Measures in Selected Countries

5. A comparative picture of various Social Security Systems in **86 developing countries – 21 in South America ; 37 in Africa; and 28 in Asia (List at Annexure I)** brings forth the following facts - **Of the total 86 countries – i) 84 countries have Work Injury Benefit Schemes; ii) 79 have some type of Old-age, Disability and Survivors Schemes; iii) 50 countries (20 in South America, 17 in Africa and only 13 in Asia including India) have full fledged Sickness, Maternity and Medical care programmes, but the coverage under these programmes is mostly restricted to sectors of employees (organized) leaving millions of un-organised work force; iv) 33 countries (18 are in Africa; 8 in South America and 6 in Asia) have programmes of Family Allowances ; v) 21 countries have no programme for Sickness, Maternity and Medicare; vi) 16 countries (6 in South America, 3 in Africa and 7 in Asia) have Unemployment Benefit schemes leaving behind a bulk of organized workforce and the entire un-organised work force in those countries with no unemployment protection; vii) 12 countries have Provident Fund Schemes which are not social security schemes as they are merely compulsory saving schemes ; and viii) more than 90% of work force in these countries have no Old-age, Disability or Survivors protection;**⁶

6. Detailed information in respect of 24 countries selected out of the 86 countries referred to above on the basis of a random sample and comparable within Asian Region has been summarized below to give a rough idea about the status of the social security programmes in various developing countries :

Contd../-

Type of Social Security Programmes alongwith Year of Independence and Year of First/Current Legislation

S No.	Region / Country	Year of Independence	Work Injury benefit	Sickness Mat.benefit & Med.care	Old age Invalidity & Surv. pension	Unemployment Benefit	Family Allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>I. South America</u>							
1.	Argentina	1810	1915	1934,1968 (maternity) 1974,(Sickness),1980 (Medical benefits)	1944 (commerce) 1947(Industry) 1954(rural workers) Other Laws for special groups enacted 1904-58, 1993(implemented)	1967/1991 (Construction workers only)	1957, 1968
2.	Bolivia	1925	1924/1987	1949/1959	1972/1994 (Complementary pension funds)	X	1953 / 1987
3.	Colombia	1819	1916/1993	1938/1995	1965/1994	X	1957 / 1982
4.	Guyana	1966	1916/1969	1969, 1986,1989, 1992	1944 /1969,1982	X	X
5.	Panama	1907	1916 /1970	1941 /1954 1991	1941 /1954	X	X
6.	Venezuela	1821 1984	1923 / 1947	1940 /1989	1940 /1989	1989	X
<u>II. Africa</u>							
7.	Algeria	1961	1919/1984	1949/1984	1949/1984	X	1941
8.	Ethiopia	-	1963/1974	1975 (only mat. And sick leave of 45 days)	1963,1975 (For public sector only)	X	X
9.	Tunisia	1955	1921 /1957	1960	1960 /1974	1982	1944/ 1960 an 1980 (Family supplement
10.	Egypt	1952	1936/1975	1964/1975	1950/1955,1975, 1984(S.A) (Prov.&Ins Fund) (S.I.)	1959/1975	X
11.	Nigeria	1960	1942/1957 and 1987	1961 (Cash sickness benefits only from provident fund	1961/1994 (Provident fund & pension)	X	X
12.	Tanzania	1964	1948 /1966 and 1983	X	1964 (only prov. Fund)	X	X

S No.	Region / Country	Year of Independence	Work Injury benefit	Sickness Mat.benefit & Med.care	Old age Invalidity & Surv. pension	Unemployment Benefit	Family Allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
III. Asia							
13.	Bangladesh	1971	1923,1980, 982	1939,1950 and 1965	X (Special system for public employees only)	1965	X
14.	Hong Kong	-	1953/1971	1968/1971 (No med.care)	1971,1973,1978, 1980,1988 (No surv. benefit)	1977	1971
15.	India	1947	1923/1948	1948	1952, 1976 and 1995 (prov.fund plus Ins. On death while in service and old age, disability and survivor pension)	X	X
16.	Indonesia	1949	1939/1992	1957/1992	1951/1977 (only prov.fund)	X	X
17.	Iran	-	1936/1975	1949/1975	1953/1975	1977/1990	1953/ 1975
18.	South Korea	1948	1953/1963	1963/1994	1973,1988,1994	X	X
19.	Malaysia	1963	1929/1969	X	1952 and 1969 (prov.fund & disability pension)	X	X
20.	Nepal	-	1959/1963	X	1962/1961 (Prov. Fund only)	X	X
21.	Pakistan	1947	1923/1965	1962/1965	1972/1976	X	X
22.	Singapore	1965	1929/1985	1983 (from pro Fund)	1953/1985, 1991 (prov.fund and annuity payments)	X	X
23.	Sri Lanka	1948	1934/1990	X (mat. Bene-fits in certain sectors)	1958 (only prov. Fund)	X	1990
24.	Thailand	-	1956/1994	1990	1964	1990 (impleme ntation pending Royal Decree)	1990

7. The above information shows that none of the countries has a full fledged social security system and as a result of this a vast section of the millions of poverty stricken people in these countries have nothing to fall back upon in case of sickness,

old age and other calamities. Another important observation is that most of the countries do not have social security against Unemployment and Family allowances.

Financial Investment on Social Security in Selected Countries

8. The 14th ILO Enquiry on the Receipts and Expenditure on Social Security in respect of these very 24 Selected Countries reveals the following :

Average Annual Social Security Receipts and Expenditure Per Head of Population and the Percentage of Expenditure to the GDP^a

S.No.	Region /Country	Financial year	Per head of total population		% to GDP
			Receipts (in US \$)	Exp.	
(1)	(2)	(3)	(4)	(5)	(6)
I. South America					
1.	Argentina	1988	101.80	94.80	3.9
2.	Bolivia	1989	16.60	16.40	2.3
3.	Colombia	1989	21.40	18.60	1.7
4.	Guyana	1989	11.20	5.20	2.0
5.	Panama	1989	209.60	191.00	9.8
6.	Venezuela	NA	NA	NA	NA
II. Africa					
7.	Algeria	1989	130.00	134.60	7.6
8.	Egypt	1989	43.40	13.40	1.1
9.	Ethiopia	1989	2.00	1.60	1.2
10.	Nigeria	1989	0.00	0.00	NA
11.	Tanzania	1989	0.60	0.60	0.7
12.	Tunisia	1989	73.20	66.00	5.0
III. Asia					
13.	Bangladesh	1989	NA	NA	NA
14.	Hong Kong	NA	NA	NA	NA
15.	India	1989	3.20	1.00	0.3
16.	Indonesia	1989	0.80	0.60	0.1
17.	South Korea	NA	NA	NA	NA
18.	Iran	1989	NA	72.60	1.0
19.	Nepal	NA	NA	NA	NA
20.	Malaysia	1989	168.80	60.00	2.8
21.	Pakistan	1989	3.80	3.20	0.9
22.	Singapore	1989	1484.20	994.40	8.9
23.	Sri Lanka	1989	22.60	8.80	2.3
24.	Thailand	1989	0.40	0.20	0.01

9. The above data shows that there are large variations in the expenditure incurred by various developing countries. While the highest in South America was US \$ 191 per

head per year in Panama, the lowest was US \$ 5.20 in Guyana; Similarly in Africa, the highest was US \$ 134.60 in Algeria and the lowest was as low as US \$ 0.60 in Tanzania; and in Asia the highest was US \$ 994.40 in Singapore and the lowest was US \$ 0.20 in Thailand. When it comes to the percentage of expenditure on Social Security to the total GDP - In South America it was as low as 1.7% in Colombia to as high as 9.8% in Panama; in Africa it was 0.7% in Tanzania to 7.6% in Algeria; and in Asia it was 0.01% in Thailand to 8.9% in Singapore.

10. If one compares this with that of the expenditure on Social Security in developed countries like England with US \$ 2475.60 (17.3%) ; France with US \$ 5109.80 (27.1%) ; Germany (22.7%) and Sweden (35.9%), one can realize the importance attached to Social Security in those countries. Of course, it could not be so in developing countries due to - constraints on economic resources; contribution being primarily from employers and workers; and lastly lack of consciousness to the fact that social and economic development has to proceed together.

Part II

Social Security Programmes in India

11. The Social Security Programmes in India derive their strength and spirit from the Directive Principles of the State Policy, as pronounced in the Constitution of India :

- Right to an adequate means of livelihood (Article 39 (a).
- The State shall within the limits of its economic capacity and development, make effective provision for securing public assistance in case of unemployment, old age, sickness disablement and other cases of undeserved wants (Article 41)
- The State shall endeavour to secure to all workers – agricultural, industrial or otherwise, a living wage, conditions of work ensuring a decent standard of life (Article 43)

Social Security Programmes

12. India, being a welfare state, has taken upon itself the responsibility of extending

various benefits of Social Security and Social Assistance to its people, as per the details given below :⁹

S.No. (1)	Model (2)	Nature of Benefit (3)	Beneficiaries (4)	Administrative/Financial Arrangement (5)
I. Social Security				
1.	Employer's liability	Workmen's comp Maternity benefit Gratuity Retrenchment comp	Workers in the organized sector	Employers manage and pay exclusively
2.	Social Insurance	Medical care Sick-ness benefit Maternity benefit Occupational Injury	Workers in the organized sector	Administered by Employees' State Insurance Corporation Financed out of contributions from employers, employees and State Governments
		Old-age benefit Invalidity benefit Survivors' benefit Provident Fund	Workers in the organized sector, and some workers in the unorga-nized sector	Administered by central board of trustees, financed by contributions from employers, employees and central government
II. Social Assistance				
(1)	Welfare Funds of Central Government	Medical care Educa-tion Housing Water Supply Education Old-age benefit Survivors' benefit	Mine workers Beedi workers Cine workers Construction workers	Administered departmentally financed by special levies in the form of cess
(2)	Welfare funds of Kerala Government	Wide range of benefits including : Old-age benefit, Medical care, Education, Assistance for marriage, Housing, etc.	Workers in the unorganized sector, such as handloom workers, coir workers, cashew workers, etc	Administered by autonomous boards; Financed by contributions from employers, workers and others
(3)	Subsidised insurance	Survivors' benefit Invalidity benefit	Vulnerable groups of workers such as agricultural workers, handloom workers, etc.	Administered by LIC and GIC; Financed by contributions from central and state governments.
(4)	Other forms of social assistance	Old-age benefit Maternity benefit Survivors' benefit Assistance for Employment Training, Education, etc.	Persons outside the job market and below the poverty line, destitutes, orphans, deserted and divorced women, widows, disabled persons, SCs, STs, OBCs, etc	Administered departmentally; Financed from general revenues

13. As one could draw conclusions from the information given above, the benefits of

social security as of date are mostly concentrated in the organized sector, except for a few social assistance programmes being extended to the un-organized sector. Programme specific details of social security measures as exist today in the Organised and Un-organised Sectors, are given below:

i) Programmes in the Organised Sector

14. Though India could not ratify all the ILO conventions relating to social security, yet it has enforced a few national laws for extending certain mandatory benefits. While some of them like provident fund, pension, insurance, medical care and sickness benefits are contributory either by employees or by both employees and employers and sometimes supplemented by the Government; the others like employment injury benefit, gratuity, maternity benefit are purely non-contributory and therefore, to be met by the employers alone. Legislations were enacted in support of these services,. The principal social security laws enacted by the Government of India are the following : i) The Workmen's Compensation Act, 1923 (W.C. Act); ii) The Employees' State Insurance Act., 1948 (ESI Act); iii) the Employees' Provident Funds & Miscellaneous Provisions Act, 1952; (EPF &MP Act). (separate Provident Fund legislations exist for workers employed in coal mines and tea plantations in the State of Assam and also for seamen; iv) The Maternity Benefit Act, 1961 (M.B. Act); and v) the Payment of Gratuity Act, 1972 (P.G. Act). Salient features of these Acts are given below :

Salient Features of Principal Social Security Laws in India ¹⁰

S.No	Legislation	Coverage	Eligibility	Benefits		
(1)	(2)	(3)	(4)	(5)		
A. Contributory						
1.	Employees' State Insurance Act, 1948	To provide for health care and cash benefits in the case of sickness, maternity and employment injury	Factories/es-tablishments to which the law is made applicable by maternity and employment injury	Employees drawing wages not exceeding Rs.6500/- per month	Compensation for : Death / Permanent total disablement Temporary Disablement	70% of the wages as monthly pension. 70% of the wage payable for Disability period

2	Employees' Provident Funds and Miscellaneous Provisions Act, 1952	To provide - Compulsory Provident Fund - Pension	Factories /estab-lishments employing 20 or more employees in scheduled industries) : other	Employees drawing pay not exceeding Rs.5000/- per month	Provident Fund : at the rate of 10 or 12% whichever is applicable . Monthly Pension/ Family pension. Apart from terminal disbursement
S.No	Legislation	Coverage	Eligibility	Benefits	
(1)	(2)	(3)	(4)	(5)	
		Deposit Linked Insurance	establishments notified by the Central Govt.	non-refundable with- drawal for - Life Insurance policies - House Building etc	
B. Non-Contributory					
3.	Maternity Benefit Act, 1961	To Provide for maternity protection before and after child birth	Factories, mines, plantations, commercial and other establish-ments to which the law is extended	There is no wage limit for cove-rage pro-vided the women is not cover-ed by the ESI Act.	Payment for actual absence upto 12 weeks @: average daily wages, minimum wage / or Rs.10.
4.	Payment of Gratuity Act, 1972	To provide for payment of gratuity on ceasing to hold office	Factories, mines, oil-fields, plan-tation, railway companies, shops and establishment and also to other establishments to which the law is extended	Five years continuous service is required for entitlement of gratuity	15 days wages for every completed year of service or part thereof in excess of 6 months subject to a maximum of Rs.3,50,000/- The seasonal employees are entitled to gratuity at the rate of 7 days wages for each season.

The Employees' State Insurance Scheme

15. The ESI Act provides for health care and cash benefit in the event of sickness, maternity and employment injury. It is applicable to non-seasonal factories using power and employing 10 or more persons and non-power using factories and certain other establishments employing 20 or more persons. The Act is being implemented area-wise in a phased manner. The ESI Scheme is working in 642 centres situated in 22 States / Union Territories. As on 31.03.1999, there were 8.80 million employees and 34.22 million beneficiaries covered under the Scheme.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

16. The EPF & MP Act, 1952 came into force with effect from 14th March, 1952. Presently the following three Schemes are in operation under the Act : - i) The

Employees' Provident Funds Scheme, 1952; ii) The Employees' Deposit-Linked Insurance Scheme, 1976; and iii) The Employees' Pension Scheme, 1995.

17. The EPF Act initially applied to factories/establishments falling within 6 specified industries which had completed 3 years of existence and employed 50 or more workers. The Act is now applicable to factories/establishments engaged in 177 industries/classes of establishments employing 20 or more workers. The wage ceiling for coverage under the Employees' Provident Funds Scheme has been increased from time to time. It was last enhanced from Rs.3,500/- to Rs.5,000/- per month with effect from 1.10.94. At the end of March, 1999, 3.32 lakh establishments with 23.95 million subscribers were covered under the Employees' Provident Funds Scheme.

18. The three Provident Funds related Schemes mentioned above are administered by the Central Board of Trustees. The Central Board is a tripartite body consisting of a Chairman, a Vice Chairman and representatives of the Central Government, State Governments, Employers' and employees' organizations appointed by the Central Government. The Central Government has constituted an Executive Committee to assist the Central Board in the performance of its functions. The Central Provident Fund Commissioner is the Chief Executive Officer of the Employees' Provident Fund Organisation and is Ex-Officio member of the Board. The Employees' Provident Fund Organisation apart from the Central Office located at Delhi, has 281 offices throughout the Country.

Maternity Benefit Act, 1961

19. Government has decided to amend the Maternity Benefit Act, with a view to encouraging planned parenthood, providing for the following - i) six weeks leave with wages in cases of medical termination of pregnancy (MTP) ; ii) Grant of leave with wages for a maximum period of one month in cases of illness arising out of MTP or tubectomy; and iii) Two weeks' leave with wages to women workers who undergo tubectomy operation.

Payment of Gratuity Act, 1972

20. The Payment of Gratuity Act, 1972 applies to factories and other establishments

employing 10 or more persons. On completion of five years service the employees are entitled to payment of gratuity @ 15 days wages for every completed year of service or part thereof in excess of six months subject to a maximum of Rs.3.50 lakh. The current maximum limit is applicable from 24.9.1997. The wage ceiling for coverage under the Act has since been removed w.e.f. 24.05.94.

ii) Programmes in the Un-organised Sector

21. For the first time in 1995, an attempt was made by the Government to extend some social assistance benefits to poor families struggling in the Un-organized sector. Accordingly, a scheme called National Social Assistance Programme (NSAP) was launched through 3 Sub-schemes of - i) National Old Age Pension Scheme (NOAPS); ii) National Family Benefit Scheme; and iii) National Maternity Benefit Scheme. In providing social assistance benefits to poor households, NSAP supplements the efforts of the State Governments with the objective of ensuring minimum national levels of well-being. The NSAP also provides opportunities for linking social assistance package to schemes for poverty alleviation and provision of basic minimum services. In fact, old age pension can be linked to medical care and other benefits aimed at the aged beneficiaries. Details are given below : ¹¹

S.No.	Scheme	Target Group	Benefits	Implementing Agency
(1)	(2)	(3)	(4)	(5)
1	National Old Age Pension Scheme	Aged (65 +)	Rs 75 p m	States /UTs through Panchayats, Municipalities and NGOs
2	National Family Benefit Scheme	Family who lost the bread winne	- Rs 5000/- in case of natur death - Rs 1000/- in case of accidental deaths	- do -
3.	National Maternity Benefit Scheme	Women of (19 +)	Rs.300/- p.m. for pre-natal and post-natal care for the first two live births	- do-

Annapurna Scheme

22. The nodal Ministry of Rural Development is implementing the scheme of 'Annapurna' which aims at providing food security to indigent senior citizens who have no income of their own and none to take care of them in the villages. **The scheme**

envisages provision of 10 kg of food grains per month, free of cost, to cover 13 lakh senior citizens who are eligible for old age pension but are at present not receiving it. The Gram Panchayats would identify, prepare and display a list of such persons after giving wide publicity.

Personal Accident Insurance Scheme

23. For workers of poor families not covered under any insurance scheme or any law / statute, the Central Government has introduced a Scheme of Personal accident Insurance Social Security Scheme. The Scheme is applicable to all persons in the age group of 18 to 55 who are earning members of poor families and meet with fatal accidents such as droning, snake bite etc. The quantum of benefit is Rs. 3,000 in each case . The scheme is implemented through the General Insurance Corporation.

Old-Age Pension Scheme

24. In pursuance of the commitment of the States towards the welfare of the Aged , all the State Governments and Union Territory Administrations are implementing Old Age Pension Scheme under the State Sector. The rate of monthly pension varies from Rs. 75 to Rs. 200 p.m. Most of the States give Rs. 100. Some give a monthly pension below this amount while a few give a higher amount. The scheme provides for pension to destitute or poor aged. While most of the States have adopted destitution as the criterion which means no source of income, others have adopted an income approach. Some States have included 'incapacity' – or 'infirmary' as another condition for eligibility. The basic factor in governing the amount of pension and number of beneficiaries is the resource constraint.

Public Provident Fund Scheme

25. The Public Provident Fund (PPF) was introduced in 1968-69 with the objective of providing unorganized sector workers (who are excluded from participation in mandated provisions) with a facility to accumulate savings for old age income security. This is an individual account system under which members are allowed to open PPF accounts either with some designated nationalized banks or with post offices. As of

March 1998, the State Bank of India had 1.84 million PPF accounts showing an outstanding balance of Rs. 26 million. The PPF account accepts accretions of a minimum of Rs.100 (fixed in 1968-69) and a maximum of Rs. 60000 per member per year. The accretions, accumulations and withdrawals from PPF are fully tax exempted. A PPF account matures in 15 years – which is inadequate for generating meaningful accumulations for old age income security for younger workers. In addition, PPF allows partial withdrawals after 5 years of accumulations. As a result of premature withdrawal facilities and tax breaks, individuals largely misuse this scheme for legitimized tax evasion and it does not serve the intended purpose of old age income security. In 1998, post offices had 0.92 million PPF accounts with an outstanding balance of Rs. 24 million. These accounts imply a combined coverage (bank and postal accounts) of 2.76 million which is less than 1% of the working population even after 3 decades of its existence.

PART- III

Social Security : An Alternative Approach

Perspectives For Twenties

26. As mentioned earlier, the concept of Social Security has undergone vast changes and still continues to do so. From mutual aid to the recognition of the fundamental right to relief, compensation and pension when a person is unable to work temporarily or permanently for reasons beyond his control, **we have come to regard Social Security as a battle against poverty and a battle for improving the whole quality of life. Today Social Security Experts consider the Right to Work as a basic social right.** They also consider the provision of decent housing and living in a decent environment and worthwhile living conditions together with a standard of minimum income and a vast range of social services, as part of social security. **The myth sought to be created by some vested interests that social security is an unnecessary burden on economies, especially in developing countries, has been exploded by the vast strides of social security that were made by various developing countries. It has now been universally accepted that there can be no economic development without social development and vice-versa. Both have to proceed together for the development of**

these countries.

27. **Social Security systems for the Un-organised sector, as visualized by Ela Bhatt (the founder Member of SEWA), should be able to see the poor as workers, producers and contributors to the economy and not as burdens to be subsidized. Social security is not welfare, it is not a poverty alleviation programme, it is work security. The poor who contribute to the economy have a right to its budgetary resources, and these resources should be seen not as subsidies, but as investments which will raise the productivity of the poor and the gross national product of the nation. The delivery mechanism of these social security systems should be done by the people's organizations themselves, as there is considerable evidence of the people's own capacities to run them. According to her, it is time that India develops her own Social Security Systems and be out of the influence of western models developed by the Industrialised Countries and there is a need for the Policy Makers to try out work-based, decentralized, people-centred systems. She further says, based upon her own success story of SEWA that poor can manage their own Social Security Systems which are need-based integrated with economic activity and are effective and financially viable .¹²**

28. **The provision of social security can itself be a means that would lead the unorganized sector workers to organize and become empowered. Security of health care, food, housing and child care, empower the vulnerable workers in the unorganized sector and helps to alter their bargaining position in the market. The methods and instruments chosen for providing social security tend to contribute to the state of organization among the workers. Centralised, non-participatory systems tend to be disempowering, while decentralized, locally controlled, locally funded programmes lead the workers to organize themselves. Perhaps, as social security schemes reach out further to the unorganized sector workers, they will be able to organize themselves and become part of the mainstream.**

An Alternative Approach

29. **According to Guhan, developing countries cannot rely upon a single model for various Social Security provisions. To begin with, it is clear that a redefinition of**

Social Security referring back to its objectives and releasing it from the instrumental confines of the formal model is necessary in the circumstances of developing countries. In this direction, a useful starting point is broadening the definition of Social Security as offered by Burgese and Stern for developing countries. They defined the objective of social security as being the prevention by social means of very low standards of living irrespective of whether they are the result of chronic deprivation or temporary adversity¹³. **This definition, being a wider in its scope, implies that social security in poor countries like India will have to be viewed as part of and fully integrated with anti-poverty policies and other basic services of health, education, nutrition, drinking water supply, sanitation etc.**

30. Thus, Social Security measures for a country like ours should be a **compact package** of three types of services viz., - i) Preventive which seek to avert deprivation in more specific ways; ii) Protective being more specific in guaranteeing relief from deprivation because of the legal support; and iii) Promotive that aims to improve endowments, exchange entitlements, real income and serial consumption. But unfortunately, as the situation stands today, while the preventive programmes have never been in the reach of the vulnerable segments; protective measures are limited only to the organized sector; and the promotive measures get restricted only to a few because of their limited coverage. This would ultimately lead to the conclusion that the working population in the un-organised sector who live below the poverty line are the most deprived from every point of view as neither they could reach the services nor services could reach them. **Therefore, while attempting to expand the social security measures in the country, the priority should be to cover those who are struggling in the Un-organized sector with no safeguards either to ensure the continuity of work or the minimum wages, leave aside all other benefits.**

31. While both preventive and promotive measures which are on-going and of long term in nature, **the protective measures being short-term in nature should be able to take care of the day to day work-related emergencies / exigencies like Unemployment; Sickness; Medical care; Accident / Injury/ Disablement Family and Survivors benefit; Maternity; and Old Age.** Priority should, therefore, be given to protective measures as they are directly related to the well-being of the working class

who are the backbone of the country's economy. This does not mean that we can postpone the other two measures viz., Preventive (Basic Minimum Services) and Promotive (Poverty Alleviation Programmes), but the package of Social Security should be a combination of both long-term and short-term measures to be taken up simultaneously so that they can supplement and complement each other. In this context, it would be ideal to follow the basic premise developed by Amartya Sen stating that ' capabilities to be adequately nourished and comfortably clothed to avoid escapable morbidity and preventable mortality and so on ...' and as interpreted by Guhan saying that ' while incomes can provide command over commodities, the conversion of commodities into capabilities will require socially provided consumption of education, health, water supply, sanitation and so on ¹⁴ . In view of this, we need to give equal importance to both preventive and promotive measures as part of social security as they alone can ensure provision of basic minimum services to the poor. The following Table presents the details of the 3-Fold Social Security Package, as visualized under the proposed Alternative Approach :

Social Security Measures : An Alternative Approach

S.No.	Necessary Prescriptions	Proposed Action
(1)	(2)	(3)

I. PREVENTIVE (On-going Efforts)

1.	Provision of Basic Minimum Services	Ensure provision of ' Basic Minimum Services to All' through achieving the Commitments as per the Target Years :
	i) Food and Nutrition Security	i) Eradication of Hunger through increasing food production; effective public distribution and improvement in the purchasing power of those living below the poverty line so as to ensure ' Food and Nutrition for All ' by 2002.
	ii) Safe Drinking Water	ii) The coverage under AR/UWS should be expanded to supply ' Safe Drinking Water for All' by 2002
	iii) Primary Health Care	iii) Expansion of primary health care services to ensure the commitment of ' Health for All' by 2005
	iv) Basic Shelter	iv) Expansion of facilities under IAY to ensure ' Shelter for All ' by 2005.
	v) Primary Education	v) Expansion of Universal Primary Education services to ensure ' Education for All' by 2002.

II. PROTECTIVE (New Efforts)

i) Social Security Oriented (monetary)

- | | |
|--|--|
| <ul style="list-style-type: none"> i) Unemployment ii) Sickness iii) Medical Care iv) Accident/Injury/Disablement v) Family & Survivor's Benefit * vi) Maternity * vii) Old Age * | <p>Ensure basic minimum Social Security Benefits For All in the Un-organised Sector, as listed in Column 2 in a phased manner by giving priority to those living Below Poverty Line</p> |
|--|--|

* Limited coverage since 1995 in respect of item (v) and (vi) and since 1970s in respect of (vii)

S.No.	Necessary Prescriptions	Proposed Action
(1)	(2)	(3)

ii) Welfare Oriented (non-monetary)

- | | |
|---|---|
| <ul style="list-style-type: none"> i) Organise workers into Formal Groups ii) Ensure Minimum Wages and Equal Remuneration iv) Arrange for Labour contracts v) Ensure Basic Minimum Standards of working conditions for home-based workers vi) Abolition of Bonded / Forced Labour vii) Ensure welfare measures with a special focus on women workers, their children and families vii) (Factories Act of 1948) viii) Set up Welfare funds | <p>Needs to be extended / attended to by keeping a steady progress in organizing the un-organised labour into organized Groups / co-operatives under the supervision of PRIs and the Extension staff and People's Volunteers and thus ensure extension of those measures as listed in Col.2</p> |
|---|---|

III. PROMOTIVE (On-going Efforts)

Poverty Alleviation

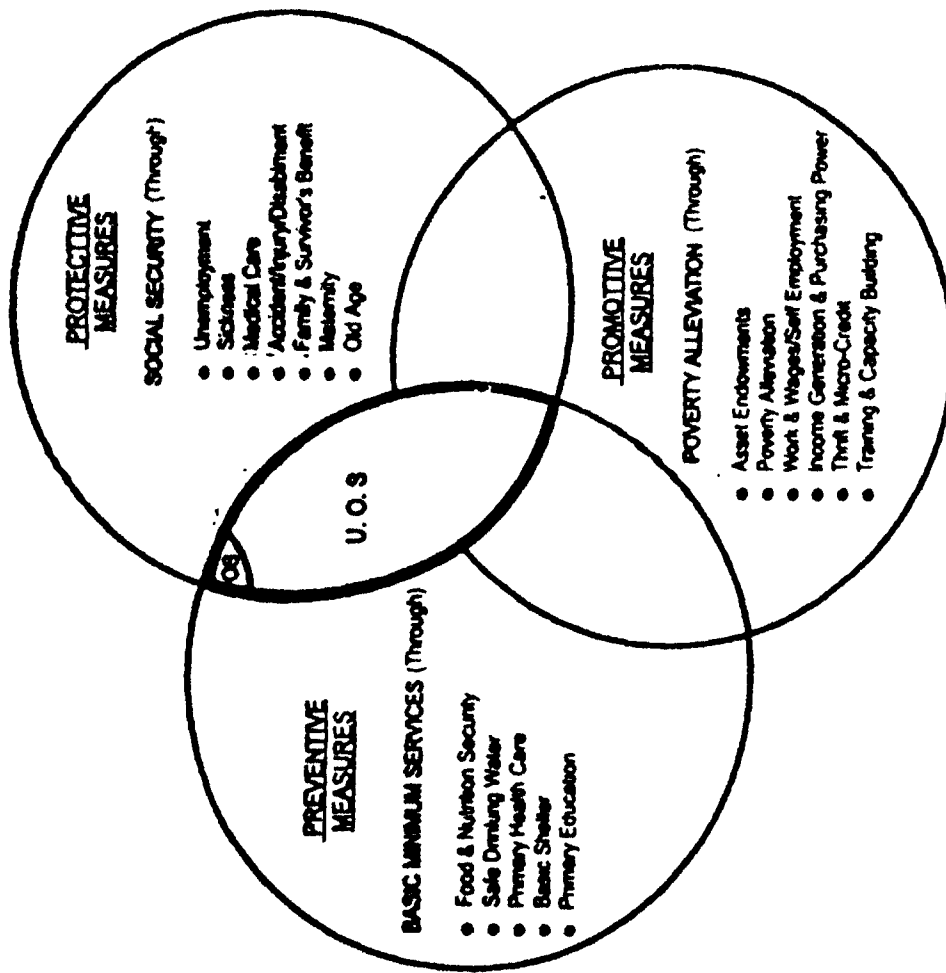
- i) Asset endowments
- ii) Poverty Alleviation Programmes
- iii) Work & Wages / Self-employment
- iv) Income Generation and Purchasing Power
- v) Thrift & Micro-credit
- vi) Training & Capacity Building

Eradicate poverty through -

- Land redistribution
- Formation of Self Help Groups
- Expansion of the on-going Poverty Alleviation Programmes in a phased way to ensure 100 percent coverage to those in the backward rural areas; urban slums and remote and inaccessible tribal areas through PMGSY & PM

32. Of the proposed 3- Fold Package, the Organized Sector requires a 2 - Fold Package of only Preventive and Protective services , while the Un-organised Sector deserves a 3-Fold Package of - Preventive, Protective and Promotive services. As indicated above, while the preventive and promotive services include the on-going developmental programmes of health; education; food and nutrition; water sanitation, housing and poverty alleviation programmes, the protective services include direct social security programmes with legislative support. **But unfortunately, the same are being extended, so far, only to the Organised Sector. As such a beginning needs to be made urgently to extend the protective services to the Un-organised Sector also.** (In the Ninth Plan, there exists a total budgetary support of **Rs. 96228 crores** (Rs.81,228 crore for preventive and Rs.15000 for Poverty Alleviation Programmes). **Of the total 320 million people living Below Poverty Line (estimates of 1993-94), we could, so far, raise only 50 million people above the Poverty Line during the last two decades).** A diagramatic representation with a visual effect of the proposed Alternative Approach to Social Security in India is as follows:

A DIAGRAMATIC REPRESENTATION SOCIAL SECURITY IN INDIA : AN ALTERNATIVE APPROACH



: TOTAL TARGET GROUP (O.S. + U.O.S. = 314 MILLION WORKERS)

: ORGANISED SECTOR (34 MILLION - BEING COVERED)

: UN-ORGANISED SECTOR (280 MILLION - YET TO BE COVERED)

The Target Group

33. As per the estimates made by the Expert Committee set up by the Ministry of Social Justice & Empowerment under the chairpersonship of Shri S.A. Dave in 1999 for devising a Pension System in India ¹⁵ - Of the 314 million workers recorded in the 1991 census - 47 million (15.2%) are regular salaried ; 169 million (53%) are self-employed; and 98 million (31%) are casual contract workers. Of the 47 million salaried, only 34 million are covered under mandatory Employee Provident Fund and the Employee Pension Schemes . Thus, a total of 280 million (13 million of the salaried workers and 267 million workers in the un-organized sector) representing around 90% of India's total workforce have been completely deprived of participating in the existing social security provisions. It is this Group which needs priority attention of the Government, as the majority of them are struggling within the Un-organised Sector, where no legislation can reach even to ensure minimum wages, leave aside the social security benefits.

Working Mechanisms

34. Extending social security benefits to the huge target group of the unorganized workers of 280 million who are neither covered nor bound by any mandatory checks / and provisions is, in fact, a herculean task. However, some of the success stories in the non-governmental / voluntary sector, though on a smaller scale, can pave the way. They include Self-employed Women's Association (SEWA) of Ahmedabad, Women's Working Forum (WWF) of Chennai; Annapurna Mahila Mandali (AMM) of Mumbai and Thrift Co-operative Society (TCS) of Hyderabad . The women in the informal sector who were struggling with no means of livelihood organized themselves into Informal Groups under the able leadership of Eia R. Bhatt and registered themselves as a Trade Union; developed work and wages for all its 220,000 members; set up a Bank; organised micro-credit; and other social security measures. A successful living example, indeed! (A brief case history of SEWA is appended at Annexure II).

35. On these very same lines, the workers in the unorganized sector should get organized into Formal Groups, register themselves as Co-operatives at Village /

Municipal Wards level and start depositing their contributions either through their own Co-operatives or through the Worker's Welfare Funds to be set up at Village / Block level / District levels. These Welfare Funds at the State, District and Block levels are expected to play the role of inter-mediary agencies between the **National Workers Welfare Fund** (also to be set up) and the Village-level Workers Funds and to operate all the transactions, just as on the lines of the existing Welfare Funds like that of the Beedi Workers Welfare Fund, Cine Workers Welfare Fund, Mica Mines Welfare Fund etc. The Beneficiary Committees to be set up at various levels are expected to keep a watch as well as monitor the working of these Funds.

36. **As an alternative, the Village Panchayats should play the role of Employment Bureaux in organizing and supplying the labour to the needy individuals / Agencies at village level.** That means the entire labour available in a particular village should be controlled by the respective village Panchayats. These Panchayats will also be held responsible for collection of social security contributions from the workers, at least a minimum of one Rupee for those days of work and wage from each worker and also an equal amount from the employer and deposit the same to the Village Workers Welfare Fund or directly to the Workers Welfare Fund at the Block / District / State levels. To this, the Government should also contribute an equal amount of one rupee per worker per day for those days with deposits from both employees and employers. **The money thus deposited and the interest accrued upon should be utilized for extending the basic social security benefits on priority basis.** Similar Welfare Funds should be set up both at the Block / District / State levels which, in fact, should take the full responsibility of the transactions of deposits and payments of Social Security. This alternate system of organizing Social Security through Panchayats, no doubt, has a danger of getting influenced through local power groups. But the same can be taken care of by the Workers Welfare Committees / Beneficiary Committees to be set up at grass-root levels.

Administrative Machinery

37. The importance of decentralized delivery system of social security services through local institutions wherein the poor are not only enfranchised but empowered

should be the choice of the day. Most importantly, locally provided social security can be of foundational importance in generating and sustaining 'solidarity' which is the essence of social security. **No doubt, it calls for a streamlined central administration but devolves authority as much as possible to the local level.** It would be better to enlist the active participation of the people instead of relying upon the cumbersome bureaucracy to 'deliver' services to beneficiaries. **Power to People or Empowering people is more cost-effective than developing alternatives.** In fact, a strategy that intertwines empowerment, human development and economic efficiency always puts the people first.

38. **At the national level, it would be better to revive the earlier arrangement of having a separate Ministry / Department of Social Security to take care of the planning, implementation and monitoring of various social security programmes for the total workforce both in the Organised and Un-organized sectors.** (The erstwhile Ministry of Social Security continued up to 1964, when the Ministry of Social Welfare came into being) This becomes inevitable as it would be difficult for one single Ministry of Labour to handle the subjects of both labour and social security. **Therefore, the present Labour Ministry should be restructured and re-titled as the Ministry of Labour, Employment and Social Security** under the charge of a Minister of Cabinet rank. This Ministry will have two separate Departments of i) Labour and Employment and ii) Social Security should to be set up under the charge of independent Ministers of State and Secretaries to ensure a well-knit co-ordinated efforts between the two inter-related Departments. To this effect, all the relevant subordinate and Autonomous Organizations working in the field of Social Security should also be brought under the proposed new Department of Social Security.

39. **At the State level also, a similar arrangement should be made not only to play the counterpart role of the newly set up Union Ministry of Labour, Employment and Social Security but also to link up the vertical mechanisms and the machinery to ensure effective co-ordination amongst all the concerned.** At the District and Block levels also, some restructuring of the existing set up needs to be attempted in view of the additional responsibility proposed to be entrusted to the PRIs, besides the coming up of the Workers Self-Help Groups and also the Worker's Welfare

Funds, as visualized in the earlier paragraphs.

Co-ordination

40. The present efforts of extending social security benefits to the workforce in the un-organised sector demands a very effective co-ordination at every level in view of the most comprehensive package opted for. The proposed approach, as discussed earlier, not only includes extending a few benefits of protective nature to the Un-organized sector, but also attempts to co-ordinate with the respective Ministries / Departments to streamline the on-going preventive services of health, education, shelter, sanitation drinking water supply, food and nutrition etc., and the on-going promotive benefits of poverty alleviation flowing to all those both in the Organized and Un-organised sectors.

41. Thus, it requires a well balanced co-ordination of both horizontal and vertical nature involving the nodal Ministry of Labour (Labour, Employment and Social Security, when set up) and the other Ministries / Departments viz., Health, Family Welfare, Education, Rural Development, Urban Development, Social Justice and Empowerment, Women and Child Development, Civil Supplies. However, more emphasis will be on the vertical co-ordination as it links up action right from the national to village level which is inter-departmental / inter-agency at various levels.

Evaluation and Monitoring

42. The attempt to extend Social Security benefits to the Un-organised Sector in an organized way will be one of its first kind since independence. Therefore, in the initial stages of launching / implementing the measures, especially at the Village and Block levels, these need to be watched carefully and monitored at regular intervals on the basis of quarterly reports. Also, State-wise evaluation studies in the initial stages are a must to assess the effectiveness of the social security services introduced for the first time. As women represent 90% of the Unorganised work force, the nodal Department of Women and Child Development should also play a special role in sharing the burden of monitoring as well as evaluating the proposed efforts of the Government (Ministry of Labour, Employment and Social Security) towards achieving the Constitutional

Commitment of extending Social Security to All.

Legislative Support

43. In accordance with the recommendations of the Ninth Plan Working Group on Labour Policy, ' it should be the endeavour of the Government to evolve an integrated, comprehensive scheme of Social Security with the support of one single comprehensive legislation by combining all the existing legislations into one' ¹⁶

Therefore, it is time that we considered one single comprehensive legislation in the name of the Social Security by integrating all the existing legislations on the Subject. However, this needs a considered thought of both Legal Experts and Subject Specialists.

Financial Implications

44. Coming to the crux of the problem as to - what would be the financial burden for extending the proposed Social Security Package and who should bear the brunt of it, we may have to necessarily consider the opinions expressed by various Experts. According to Parduman Singh, the burden of financing social security schemes, in principle, should be borne either by the governments or by employers or together as it is the right of the workers to get relief from the society when they are unable to work through no fault of theirs or because it is not possible for low-paid workers to pay for social security benefits. However, a minimum contribution, even in kind, should be fixed for the workers so that they will develop the spirit of involvement and commitment to the Social Security System. But, at the same time, there should be a criterion to exempt those employees whose actual wages do not reach even the minimum, as prescribed from time to time. Also, the governments should set apart a certain percentage of the GDP for promoting Social Security benefits to the workers, especially those in the Un-organised sector, besides adopting the method of financing social security schemes, either through direct taxes or in the form of indirect levies. The National Workers Education Seminar on Social Security at Bangalore held in 1998 also strongly recommended that a Cess be levied either on all or on specified central taxes for raising funds to supplement contributions from the employers and workers. ¹⁷

45. The financial implications involved in extending social security benefits to the un-organised sector in India are too large to tackle with because of the large size of the target group covering 280 million. It is, therefore, advisable to limit our present efforts only to meet the needs that fall under Protective measures, as indicated earlier. Even after limiting the scope of extending Social Security Package only to Protective measures, the financial burden will be such that it becomes difficult for the Government alone to bear with. Therefore, ideally the burden should be shared jointly by all the concerned parties viz., the Government, the Employers and the Employees. However, considering the difficulties in the Un-organised Sector in involving the Employers and the inability of the Employees to contribute to Social Security, the Government has necessarily to come forward to bear the brunt of the heavy burden. A very rough estimate of the size of the financial implications involved in extending the 'Protective' measures to the 280 million workers in the Un-organised sector, as per the minimum standards laid down by ILO will be around Rs. 16,715 crores per year as per the details given below :

A Rough Estimate of the Financial Implications for Extending Social Security Measures (Protective) for the Un-organised Sector

Sl. No	Services	Target Population (in million)	Population to be Covered (in million)	Financial Implications (Rs. in Crore)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1	Unemployment	7.0	7.0	1680.00	@ Rs. 200 p.m for 12 months for 7 million population
2	Sickness	} 118.3*	118.3	2275.00	See the Foot Note #
3	Medical Care				
4	Accident/Injury / Disablement				
	- Medical Care	- Cost included under Col. 5 of items 2&3 -			
	- Compensation	24.64**	24.64	2464.00	@ Rs. 1000 per person
5	Family & Survivors Benefit	0.69§	0.69	690.00	@ Rs. 10,000/- (one time benef
6	Maternity	4.92 §§	4.92	246.00	@ Rs. 500 per woman for two live births
7	Old Age	68.5	52.0	9360.00	@ Rs. 150/- p.m for 12 months
Total				16715.00	

Note: * One-third of workers falling ill based on the ratio in the case of general population falling ill

** Worked out on the basis of accidental death rate of 8.8 % in rural areas

§ Estimated on the basis of death rate of 9.3 per 1000

§§ Worked out on the basis of estimated number of births order 1 & 2

@ Rs. 175/- per non-hospitalised person in urban areas for 25 million per year = Rs. 437.5 crore

@ Rs. 144/- per non-hospitalised person in rural areas for 93.3 million per year = Rs. 1343.5 crore

@ Rs. 3921/- per hospitalised person in urban areas for 0.5 million per year = Rs. 196.0 crore

@ Rs. 3202/- per hospitalised person in rural areas for 0.93 million per year = Rs. 298.0 crore

46. Although, there are some supportive statements that India can afford to spare 3% of its annual GDP, yet to start with, we may consider setting apart only 1% of the total GDP of 1999 which would be roughly about Rs.10,818 crore. This can be instituted as the initial Corpus for the proposed National Workers Welfare Fund. Also, the Government can consider levying some special cess annually to be paid only by the 12% rich. The money thus collected should be added to the Corpus of the Fund every year and the interest thus accrued upon this money should be able to supplement the contribution of both employees and employers in meeting the social security needs of the workforce in the un-organized sector.

47. In this context, it would be appropriate to recall the following suggestions made by Guhan in his Paper on ' Social Security Options for Developing Countries ¹⁸

- i) **There is ample evidence to say that a number of low income developing countries have been able to achieve relatively high levels of human development without necessarily jeopardizing the growth and, possibly, with beneficial effects on their growth process. It also says that the same has become possible because they have given priority in their public expenditure to social expenditures and within the latter to human development expenditures.**
- ii) **Apart from expenditure control on less priority outlays (notably military expenditures and subsidies for the non-poor) and the re-allocation of resources saved thereby for social security, it is also possible to raise additional resources for and in the name of social security. Typically, social security payments (about 10 per cent of GDP) explain the major part of the difference between tax-to-GDP ratios in the developed countries (about 30 per cent of GDP) and in the developing ones (about 15 to 20 per cent). This indicates that if resources are not available for social security, it may be largely because the opportunity is being missed for mobilizing and spending additional resources that social security offers.**
- iii) **In India, for example, it has been shown that progressive surcharges in the range of 1 to 4 per cent on the incomes of the top 12 per cent of households would be adequate to finance the cost of the minimum relevant package of old age pensions, survivor benefit, maternity assistance and accident relief.**
- iv) **Every effort must, of course, be made towards containing costs and improving benefits in social assistance transfers. There may be room to readjust allocations within the social assistance package. India, for**

instance, devotes 75 per cent of its social assistance outlays, in about equal measure, to employment schemes and to food subsidies, about 10 per cent each to child nutrition and the IRDP and only 5 per cent for contingency-related social assistance. In other words, provisions for direct social assistance transfers can be doubled through a 7 per cent reduction in the combined outlay for the less cost-effective employment and PDS portfolios.

- v) India could also suggest a broad indicative target for expenditures on social assistance. **Its current outlay on the set of schemes referred to above adds up to about 1.5 per cent of its GDP (1992). Prima facie, a doubling of this level of outlay viz., 3 per cent of GDP for social assistance would appear to be necessary as well as entirely feasible.**

48. The suggestions above bring forth clearly as to what needs to be done if India were to provide the basic social security measures to all its workforce both in the organized and un-organized sectors and thus ensure fulfilling its constitutional commitments. Of course, there is no need to further emphasize that all these require a strong base of a laid down National Policy.

Annexure - I

List of countries covered under the survey of Social Security Systems in South America, Africa and Asia

I South American Countries

- 1 Argentina
- 2 Belize
- 3 Bolivia
- 4 Brazil
- 5 Chile
- 6 Colombia
- 7 Costa Rica
- 8 Cuba
- 9 Dominican Republic
- 10 Ecuador
- 11 El Salvador
- 12 Guatemala
- 13 Guyana
- 14 Haiti
- 15 Honduras
- 16 Nicaragua
- 17 Panama
- 18 Paraguay
- 19 Peru
- 20 Uruguay
- 21 Venezuela

II African Countries

- 22 Algeria
- 23 Benin
- 24 Burkina Faso
- 25 Burundi
- 26 Cameroon
- 27 Central African Republic

- 28 Chad
- 29 Congo
- 30 Ethiopia
- 31 Gabon
- 32 Guinea
- 33 Libya
- 34 Mali
- 35 Mauritania
- 36 Morocco
- 37 Niger
- 38 Rwanda
- 39 Senegal
- 40 Togo
- 41 Tunisia
- 42 Zaire
- 43 Botswana
- 44 Egypt
- 45 Gambia
- 46 Ghana
- 47 Kenya
- 48 Liberia
- 49 Malawi
- 50 Mauritius
- 51 Nigeria
- 52 Somalia
- 53 Sudan
- 54 Swaziland
- 55 Tanzania
- 56 Uganda
- 57 Zambia

III Asian Countries

- 58 Zimbabwe
- 59 Afghanistan
- 60 Azerbaijan
- 61 Bahrain
- 62 Bangladesh
- 63 Burma
- 64 Fiji
- 65 Hong Kong
- 66 India
- 67 Indonesia
- 68 Iran
- 69 Iraq
- 70 Jordan
- 71 Kazakhstan
- 72 South Korea
- 73 Kuwait
- 74 Kyrgyzstan
- 75 Lebanon
- 76 Malaysia
- 77 Nepal
- 78 Pakistan
- 79 Saudi Arabia
- 80 Singapore
- 81 Sri Lanka
- 82 Syria
- 83 Thailand
- 84 Turkmenistan
- 85 Uzbekistan
- 86 Vietnam

Annexure - II

Brief History of the Self Employed Women Association (SEWA)

By full employment, we mean work that ensures food security, income security and social security. Social security, for us, includes health care, child care, and shelter. Self-reliance is seen in terms of finance and decision making. Self-reliance, to us, means that the poor are themselves the users, managers and owners of programmes and systems. Hence, SEWA promotes the formation of cooperatives. SEWA's broad strategy is the joint action of unions and cooperatives.

SEWA has found that social security systems run by poor women workers, through cooperatives, can be financially viable, providing a need-based service to the women on demand and on payment of affordable charges. The cooperatives promoted by SEWA are the Mahila Lokswasthya Mandli for health services, the Sangini Child Care Mandli and the SEWA Cooperative Bank. The total outreach is about 50,000 women.

The steps which lead upto this stage have been slow, and full of learning and experience. The first experiments in social security started in 1975 with a demand from the members for a maternal protection scheme, followed by health care and child care. These early experiences taught us a number of lessons. In 1991, SEWA Bank started an insurance programme, in collaboration with the insurance companies. As a first step it undertook a systematic survey of its members, rural and urban, to discover their priorities in terms of risk coverage. This study revealed the following requirements expressed poignantly in the words of the women themselves.

With regard to the need for life insurance the women said: "When I die, my body should not remain unattended for lack of ready cash," "My family should not have to incur debt to cremate my body," "Let SEWA be my shroud."

On the need for widowhood insurance they said: "When a major earning member is gone from my family, the insurance amount will provide an essential support in my hour of grief."

With respect to maternity insurance the women felt: "Pregnancy is a hazard, who knows if I will survive or not." "Safe delivery by professionals is essential, but it is often too costly for us," "I do not want to be sick after childbirth. I have to start earning immediately, or my family and my new born will not be able to survive," "Every childbirth leaves me weaker," "I may lose my work altogether."

The need for sickness insurance was stated thus: "Because of our heavy working conditions and unsanitary living conditions, we often fall ill. A long sickness means a loss of income. Doctors and medicines are very costly nowadays, so long hospitalization or an operation means they my family will become heavily indebted. Will we every be free of such a debt?" "My body is my only capital Only with a strong body can I earn a living. So I want good treatment when I am ill."

An on the need for calamity insurance the women explained: "Our villages are prone to floods which destroy our crops," "In our city, riots are frequent. My house and tools have been burnt and looted three times in the past five years, I need a means to restore my assets and start working after a riot," "We cartpullers always have to be prepared for road accidents and knee fractures."

Based on these statements, SEWA Bank put together an insurance scheme in collaboration with the nationalised insurance companies. Because of its long association with its members, SEWA Bank had a realistic estimate of the members' capacity to pay. The insurance scheme, which turned out to be both popular and financially viable, is described elsewhere in this book.

Based on our experience with social security for unorganized sector women in health care, child care, shelter and insurance, the following conclusions emerge:

The need for developing our own Indian systems of social security. So far we have adopted and relied on the models developed in the northern, highly industrialised countries. These models have resulted in a highly skewed labour force. We need to re-examine these models, look at the vast experience of social security in our own country, at the genius of our own people, and to use an amalgam of ideas to come with social security systems which are suited to the particularities of the Indian economic, social and political system.

The need for policy makers to try out work-based, decentralized, people-centred systems: Policy makers need to review existing programmes, examine options, share ideas, recognize non-Government systems, and come up with new flexible systems. Our experience is that the most suitable systems are those which are work-based. These systems can be effectively run and managed if they are locally owned and controlled. Highly centralized systems tend to be ineffective. Policy makers should try out new forms of social security and see their impact on poverty, and the livelihood of the poor.

The poor can manage their own social security systems in a viable way. Our experience in SEWA has been that social security schemes which are need-based, integrated with economic activity, are effective, and can be financially viable. These systems can be managed by the poor themselves. The poor, if supported through capacity building and linkages, can own and manage their own economic organizations. Given this fact, it is necessary to search not only for new social security programmes but for new forms of organizations to run them. These organizations should be participatory, autonomous, decentralized and multipartite, i.e., including all classes of participants in decision making.

In short, we are thinking of Social security systems which see the poor as workers and producers, as contributors to the economy, not as burdens to be subsidized. Social security is not welfare, it is not a poverty alleviation programme, it is work security. The poor who contribute to the economy have a right to its budgetary resources, and these resources should be seen not as subsidies, but as investments which will raise the productivity of the poor and the gross national product of the nation. The delivery mechanism of these social security systems should be done by the people's organizations themselves, as there is considerable evidence of the people's own capacities to run them.

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