Rethinking Social Protection for India's Working Poor in the Unorganised Sector

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I. Introduction

Of late, the issue of provision of social security to the growing segment of unorganised sector workers[2] gained enhanced significance in the development discourse in India. Various efforts of the Government of India, in recent years, such as designing of new social security schemes[3], recasting of earlier schemes, introduction of innovative methods towards effective identification and enrolment of beneficiaries, contemplation of comprehensive legislations to ensure social protection for unorganised sector workers and so on testify a paradigm shift in the social security front. Also, in the recent past, there has been an increased emphasise on creating enabling frameworks and promotional measures towards ensuring effective social protection to the poor (especially for those in the unorganised segments of the workforce) and enhancing their reservation income in the labour market. This visible change in the concerns of the policy makers reflects some of the ongoing transformations in the labour scene. Firstly, this is an outcome of the increasing realisation that the unorganised sector is growing at an alarming rate, where majority of the workers are left with no social security to fall back upon during contingencies and old age. Secondly, it is an acknowledgement by the development planners that the existing legal and protective frames have become inadequate to address the issues of unorganised sector workers. Thirdly, it also suggests that, in view of the growing fiscal deficit scenario, the governments (both at the centre and in the states[4]) also find it extremely difficult to sustain even the existing social security measures, which are currently being provided to only about 7 per cent of the workforce in organised occupations.

The growing concern in social security issues of unorganised labour, in recent times, needs to be understood as a historical juncture in the trajectory of development planning

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[2] The terms `unorganised sector' and `informal sector' are used in this paper interchangeably, which is a general practice followed in India. Accordingly, informal employment is referred to as unorganised sector employment. Whenever, reference is made to informal/unorganised sector and informal/unorganised sector conjointly, the term `informal economy' is used. These concepts are in accordance with the definitions followed by the currently functioning National Commission for Enterprises in the Unorganised Sector (NCEUS) in India.

[3] For a recent updating on the new social security initiatives of Government of India in the unorganised sector, See Government of India (2008).

[4] As per the Constitution of India, a federal structure of governance is followed in the country, where a Union Government (commonly referred as Central Government), governs a federal union of 28 states and 7 union territories, collectively called the Republic of India. Under the Constitution of India, labour is a subject in the concurrent list where both the Central & State Governments are competent to enact legislation and implement policies, subject to certain matters being reserved for the Centre.

in India, where the labour markets have been undergoing tremendous transformations, which include: growth of informal sector activities; deterioration in the quality of employment (in terms of job security, terms and conditions at work); weakening of worker organisations and collective bargaining institutions; marked decline in social security and so on. To a greater extent, these transformations could be related to the ongoing globalisation process and the resultant efforts on the part of employers to minimize the cost of production to the lowest levels. It is also evident that most of these outcomes are highly correlated and mutually reinforcing. A closer analysis suggests that the growing informalisation of labour market has been central to most of these transformations, which *inter alia* highlights the utility of understanding the growth of unorganised sector in the country and discussing its implications.

II. Growing Prominence of Unorganised Sector in India

Predominance of informal employment has been one of the central features of the labour market scenario in India. While the sector contributes around half the GDP of the country[5], its dominance in the employment front is such that since early 1980s and even before that more than 90 per cent of total workforce has been engaged in the informal economy. As per the estimates of the National Commission for Enterprises in the Unorganised Sector (NCEUS), the unorganized sector/informal sector workers comprise about 86 per cent of workforce in the Indian economy in 2004-2005 and informal employment, both in the organised and unorganized sector as 92 per cent[6]. This national level pattern of informal workers occupying around 90 per cent of the workforce is more or less similar in the case of most of the prominent states in the country. Among the unorganised sector workers, a considerable proportion (about 65 per cent) is engaged in agricultural sector, which in turn indicates the prominence of rural segment in the informal economy.

The growth of formal employment in the country has always been less than that of total employment, indicating a faster growth of employment in the informal sector. Temporal data suggests that within the formal sector also the proportion of informal/unorganised workers are on the increase. For instance, by providing a comparison of the NSSO Employment Data for 55th and 61st Rounds (for 1999-2000 and 2004-2005 respectively) the NCEUS (2007) explains that the country is currently in a state of `informalisation of the formal sector’, where the entire increase in the employment in the organised sector over this period has been informal in nature (NCEUS, 2007).

[5] As per the latest estimation of a Sub-committee of the National Commission for Enterprises in the Unorganised Sector (NCEUS), using the modified apportioning method, the contribution of unorganised sector to GDP is about 50 per cent. For further details refer NCEUS (2008).

[6] Based on the National Sample Survey Organisation (NSSO) 61st Round-2004-2005 Data, the NCEUS estimates that out of the total 457.5 million workers in India, 422.6 million (92.4 per cent) are engaged in the informal employments. This includes 393.5 million workers engaged in the informal employment in the unorganised sector and 29.1 million workers engaged in informal employment in the organised sector. For further details of the estimation, refer NCEUS (2006; 2007; 2008).

The enhanced prominence of the informal sector is duly recognised in the recent policy documents of the Government of India, which discusses the ways and means of employment generation, to benefit the growing mass of unemployed. For instance, a special group constituted by the apex-planning agency of the country (i.e., Planning Commission of India) on "Targeting 10 Million Employment Opportunities per year over the 10^{th} Plan Period (2002-2007)" explains that – "exclusively for generating the desirable high level of employment in the country, one has to target the unorganised sector, including small and medium enterprises" (Government of India, 2002).

It has been widely acknowledged that the informal sector in India suffers from a low productivity syndrome, compared to the formal sector. The prominent features of the sector are lower real wages and poor working/living conditions. Further, the sector is characterised by excessive seasonality of employment (especially in the farm sector), preponderance of casual and contractual employment, atypical production organisations and work relations, absence of social security measures and welfare legislations, negation of social standards and worker rights, denial of minimum wages and so on. Poor human capital base (in terms of education, skill and training) as well as lower mobilisation status of the workforce[7] further add to the vulnerability and weaken the bargaining strength of workers in the informal sector. Thus, the sector has become a competitive and low cost device to absorb labour, which cannot be absorbed elsewhere, whereas any attempt to regulate and bring it into more effective legal and institutional framework is perceived to be impairing the labour absorbing capacity of the sector.

With the advent of globalisation and resultant reorganization of production chains led to a situation where production systems are becoming increasingly atypical and non-standard, involving flexible workforce, engaged in temporary and part time employment[8], which is seen largely as a measure adopted by the employers to reduce labour cost in the face of stiff competition. A growing body of literature suggests that these flexible workers in the new informal economy are highly vulnerable in terms of job security and social protection, as they (unlike their counterparts in conventional occupations) are not deriving any of the social protection measures stipulated in the existing labour legislations. The insecurities and vulnerabilities of these modern informal sector labour (for instance, those in the new service sector occupations) are on the rise, as there is a visible absence of worker mobilisation and organised collective bargaining in these segments, owing to a multitude of reasons (Remesh, 2004).

[7] A majority of the informal sector workers in India lack voice and the presence of union and their membership is reported to be very thin. Only 17.5 per cent of total informal workforce reported presence of unions/associations in their trade. The trade union density also reported to be only 9.7 per cent (Satpathy, 2004).

[8] A recent estimate suggests that the proportion of temporary workers in the informal economy is around 40 per cent (Satpathy, 2004).

The alarming expansion of informal sector, in recent times, has adversely affected employment and income security for the large majority of the workforce, along with a marked reduction in the scale of social welfare/security programmes. Thus, an important challenge raised by the exploding informal economy is the need for ensuring adequate social safety nets and welfare measures to provide social security to the growing segment of unorganised sector workers. Accordingly, during the past decades, government in India (both at the centre and state levels) have been striving towards designing and implementing more effective measures to strengthen and expand the social protection in the unorganised sector workers[9]. In this backdrop, a discussion of the recent social security initiatives in the country would be meaningful. To contextualize such a discussion, the following section of the essay would attempt a brief but critical analysis of social security measures launched by the government till recently.

III. Social Security for Unorganised Sector: A Review

In India, the organised sector, which accounts for about 7 per cent of the total workforce, benefit from a fair minimum standard of social security. The provisions of social security for organised workers are mainly protective in nature and are ensured through a legal framework and institutional infrastructure created under enabling legislations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. In contrast to this, the social security arrangements for vulnerable poor in general and informal workers in particular have been very minimal. For instance, rough estimates shows that only less than 3 per cent of informal sector workers are covered by some social security measures. Nonetheless, the government and other societal institutions have launched various social security programmes to meet the basic subsistence needs and contingencies of the poor and informal sector workers since long, starting with the community development programmes (CDP) in 1950s.

So far, there no specific and comprehensive schemes or legislation at the national level, which exclusively address the issues of unorganised sector. The major efforts towards the formulation of a national legislation stagnated for a long time, since the formulation of two draft legislations were prepared in 1980 and in 1997, which were subsequently reviewed and recommended by the National Commission on Rural Labour (1987-91) and some of the specially constituted Parliamentary Committees and consultative forums[10]. Nevertheless, the workers in the unorganised sector benefit from several of the labour laws and social protection measures, which are more or less generic in nature. For instance, The Minimum Wages Act, 1948 directs both the Central and State Governments

[9] Despite this increased attention towards expansion of social security measures, it is visible that (owing to the mounting fiscal deficits) the government led initiatives are increasingly tilting towards alternative approaches, ensuring contributions from other social partners such as employers (and at times the beneficiaries themselves).

[10] It is to be noted here that in the post 2000 period, there have been some consistent efforts towards enacting a comprehensive legislation, which will be discussed further in the subsequent section on new initiatives.

to periodically notify the minimum wage rates for various categories of informal labour. The other important legislations, which have some bearing on the welfare of unorganised sector workers include: Bonded Labour System (Abolition) Act, 1976, Payment of Wages Act, 1936, Employees State Insurance Act, 1948, Maternity Benefit Act, 1961, Personal Injuries (compensation Insurance) Act, 1963, Payment of Gratuity Act, 1972, Workmen's Compensation Act, 1923, Plantation Labour Act, 1948, Employees Provident Fund and Misc. Provisions Act, 1976, Inter-state Migrant Workmen (RECS) Act, 1979 and Child Labour (Prohibition and Regulation) Act, 1986. However, all these Acts are either benefiting to select organised segments of the unorganised workforce or mostly with certain limited enabling provisions. Further, it is generally understood that the above acts have not been able to adequately address the social security concerns of the workers in the informal sector or to provide them any specific welfare measures. Despite the implementation of all these acts, the workers in the sector are mostly inadequately protected in terms of security of employment; better working conditions (prescribed times of work and reasonable wags); and effective systems/machineries for identification of eligible beneficiaries, dispute resolution and so on.

During the past five decades, starting with the Community Development Programmes (CDP) in 1950s, the Government and other social institutions have launched various social security programmes to meet the basic subsistence needs and contingency needs of the poor and informal sector workers. Broadly, it is possible to group these measures into three categories, such as: (i) Social Assistance Programmes; (ii) Social Insurance Schemes; and (iii) Welfare Funds. A brief review of these programmes is attempted subsequently to gain some insights that help in strengthening the social protection in agriculture.

Social Assistance Programmes

The social assistance programmes constitutes a varieties of measures such as food-based transfer programmes, income transfer programmes and cash-transfer programmes. The food based social safety nets are designed to ensure livelihoods and adequate consumption, relieve deprivation and improve nutritional status of the poor and vulnerable sections of the population. Broadly, three types of interventions could be identified in the category such as self-targeted employment programmes for able bodied (Sampoorna Gram Swarozgar Yojana; Food for Work Programmes; and Employment Assurance Schemes); welfare programmes for specific vulnerable groups (elderly and disabled, pregnant and lactating mothers etc.) and programmes for basic education and nutrition.

The Public Distribution System (PDS) is the key component in the overall food security arrangements in the country. Over the years, the PDS has played an important role in moderating open market prices and ensuring food security at the household level by providing food grains and other essential prices at lower prices. Nevertheless, in the past few decades, the mounting burden of food subsidies coupled with the limited effectiveness in targeting the poor households, led the government to streamline the system. As a result of these efforts, from 1997 onwards the Targeted Public Distribution

System (TPDS) is being implemented in the country. The main objective of the TPDS is to improve the PDS consumption of the `identified poor' by offering a specific quantum of cereals at highly subsidised prices. The current systems involved in the distribution of the programme is vehemently criticised by commentators on account of issues such as inefficiency in targeting, increased per unit cost of transfer of benefits, leakages, unequal and skewed distribution of benefits to higher income classes (among the poor), regional disparities in performances and so on[11]. Notwithstanding all these comments there are evidences to suggest that the TPDS has improved coverage of poor households residing in rural areas of poor states, thereby ensuring food subsidy reaching them effectively (Kundu and Srivastava, 2004). Despite the functioning of TPDS, along with other food transfer schemes introduced subsequently (namely The Annapurna Scheme[12]; Antyodaya Anna Yojana[13]), it is widely reviewed that the overall improvement in nutritional status of the population due to these schemes are rather low, which highlights the need for further strengthening the existing food transfer measures.

The other two major food security programmes are the Mid Day Meal Scheme (MDMS) and the Integrated Child Care Development Scheme (ICDS). When PDS provides indirect nutritional support (by improving the physical and economic access to staple food), the MDMS and ICDS imply direct, targeted nutritional intervention involving provision of cooked food to the vulnerable among poor, especially children (by self selection)[14]

One of the commendable alternative initiatives towards provision of food security is the Community Grain Bank Scheme, which was launched in late 1990s in 13 select states. The scheme was initially aimed at covering 50 per cent of the tribal population in the country. Recently, the scheme was revised and extended to cover the entire endemic, drought –and- migration prone areas in the country with the concentration of tribal population and also other tribal areas. As per the provisions, the Government provides a one time grant towards purchase of locally preferred variety of food grains at the rate of 1 quintal per member family for initial stock of the bank, setting up of traditional type of storage facilities and purchase of weights and scales. Within the first five years, nearly 2000-grain banks are set up a cost of over Rs. 100 million. The scheme is truly participative in nature. At the village level, a 7 member working committee manages the

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[11] For a detailed account on these issues see Remesh and Satpathy, et.al, 2006.

[12] Annapurna Scheme was launched by the central government in which 10 kgs of rice or wheat will have to be given to the destitute elderly who is not at all supported by any means either formally or informally. The scheme is in operation through the Department of Civil Supplies of the state governments and beneficiary estimation was provided by the central government. Due to administrative and procedural problems, in some of the states, the scheme could not be started and in some states, the scheme was dropped (Remesh and Satpathy, et.al, 2006).

[13] Antyodaya Anna Scheme of the central government targets to cover 10 million poorest of the poor households from amongst 65 million below poverty line (BPL) families by making available 25 kg of wheat and rice at highly subsidised rates. The prospective beneficiaries of the programme were identified by local-self government institutions in open meetings. A few recent studies suggest that there are substantial drawbacks for the programme in terms of beneficiary identification and targeting errors, inadequate and improper coverage, faulty implementation and leakages (Remesh and Satpathy, et.al, 2006).

[14]For a detailed account see Kannan and Pillai (2007), which also provides rich information on several governmental schemes/measures apropos health and education security.

scheme, with the village headman as its chairman and all tribal population of the village living below poverty line as its members. The member families are entitled to take loans in 4 installments of upto 25 kg. each during the period of scarcity, which is repayable at the time of next successful harvest to recoup the stock. The interest on loan is 5 per cent upto 3 months and 10 per cent from 3 to 6 month. In the event of non-payment beyond 6 month, the membership of the individual is liable to lapse but may be revived after repayment. Available reports suggest that food bank schemes have been quite successful at local levels in improving food security in remote and difficult areas for vulnerable groups (Remesh and Satpathy et.al, 2006).This scheme, however, did not cover all the workers in the informal economy, as it was specifically designed towards safeguarding against fall in nutritional standards of scheduled tribes living in remote and backward areas. Notwithstanding its limited coverage, the lessons from such innovative approaches and participatory models are useful, while improving the efficacy of established and conventional programmes such as PDS.

Income transfer programmes in India basically include the labour-based public works and infrastructure programmes (or workfare programmes) to promote rural and urban livelihoods. The first such scheme was started in early 1960s in the form of Rural Works Programme largely due to recognition of the fact that growth alone could not take care of poverty. Subsequent to this, a number of wage employment programmes such as Food for Work Programme (FFW-1977), Jawahar Rozgar Yojana (JRY), Sampoorna Gram Swarozgar Yojana ((SGRY), Jawahar Gram Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS), Pradhan Mantri Gram Sadak Yojana (JGSY), Food for Work Programme for Calamity Hit States (FFW-2002) and so on were initiated from time to time. The latest addition to this set of schemes is the recently introduced Employment Guarantee Act, 2005[15]. Among the state level schemes in the same direction, Employment Guarantee Scheme (Maharashtra) requires a special mention[16].

The available evidences suggest that, on the whole, workfare programmes were found effective in reducing poverty levels of rural folk through provision of certain minimum levels of employment to the rural poor in unskilled manual work during slack seasons or

[15] The National Rural Employment Guarantee Act, 2005 assures that the State Government concerning the rural area shall provide to every poor household whose adult members volunteer to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the scheme made under this Act. The minimum wage to be paid to the workers are stipulated and if fail to provide the minimum guaranteed level of employment, the appropriate government is liable to pay an unemployment allowance.

[16] Employment Guarantee Scheme (EGS) in Maharashtra, which began in early 1970s, envisages the provision of employment on request, at a stipulated wage, within 15 days, and no more than five kilometers away from the participant's home villages. An unemployment allowance is paid when this is not possible. A major proportion of the beneficiaries of the scheme are agricultural labour, though the scheme is not specially designed to cater farm workers. About three quarters of the EGS budget is spent on wages and the current scheme provides guaranteed employment year around. The available evaluations suggest that the EGS has attracted people who are often excluded from other programmes- for example, women and members of scheduled castes. Also, it is widely established that the scheme was successful in terms of reducing poverty and unemployment, besides acting as an effective insurance mechanism.

situations of natural calamities, such as drought or famine[17]. These schemes were more or less found performing well in terms of targeting and income support. Notwithstanding these positive aspects, several studies suggest that the coverage and penetration of benefits of these employment generation programmes have been minimal in relation to requirements. The drawbacks of these programmes suggested by various evaluation studies, include lower coverage of eligible job seekers, lesser number of average employment days generated, less labour intensive nature of the programmes, large leakages from the expenditure, delay in payment of wages, and inappropriate selection of programme areas.

Among the cash transfer programmes in the social security front, which are equally applicable to the workers in the agricultural workers National Social Assistance Programme (NSAP) are prominent. NSAP, which is a social security programme for the welfare of poor households, initiated in 1995, has three components such as National Old Age Pension Scheme (NOAPS)[18], National Family Benefit Scheme (NFBS)[19] and National Maternity Benefit Scheme (NMBS)[20]. A component wise review of the efficacy of these programmes suggests that the physical coverage and financial performance of NOAPS was better compared to the other schemes. However, the amount of pension for NOAPS has been abysmally low. Data indicate that the average payment has been even less than the stipulated amount, which indicates that some of the eligible beneficiaries may not have been provided with pensions. Very recently, the government modified the NAOPS and NMBS to improve their efficacy and coverage. Recasting the NAOPS from November 2007 onwards a new scheme called "Indira Gandhi National Old Age Pension Scheme" (IGNOAPS)[21] came into existence. Similarly, from April 25 onwards the National Maternity Benefit Scheme (NBMS) got replaced by a modified scheme called "Janani Suraksha Yojana" (JSY)[22]. The existing literature and assessments in the subject suggest that the standard criticisms against government sponsored schemes in terms of poor design, inadequate allocation, improper implementation and weak beneficiary participation also hold true in the case of the above cash transfer programmes.

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[17] The discussion here is based on the evaluations and reviews available on the performance of schemes prior to the Employment Guarantee Act (EGA), 2005 and does not include any comment on the EGA, 2005, which is in its nascent stage of implementation.

[18] The National Old Age Pension Scheme (NOAPS) is available to all poor persons aged 65 years or older. Under the NOAPS, the Central Government provides for Rs. 200/- per pensioner per month and the states are urged to contribute an equal amount.

[19] As per this scheme, a lump sum cash assistance (of Rs. 10000) is provided to households below the poverty line on the death of the primary bed winner. For further details see Government of India (2008).

[20] This programme assures a fixed sum (of Rs. 500) for pregnancy upto the first two live births.

[21] As per this scheme, the benefit of old age pension was extended to all citizens above 65 years and living below the poverty line. The state governments have been asked to top up the central government per capita grant of Rs. 200 month and to certify that all eligible persons have been covered (and to credit the pension –where feasible- into a post office or public sector bank account of the beneficiary). For more details of IGNOAPS see Government of India (2008).

[22] While NMBS is linked to provision of better diet for pregnant women from below poverty line families, JSY integrates the cash assistance with antenatal care during the pregnancy period, institutional care during delivery and immediate post-partum period in a health centre by establishing a system of coordinated care by field level health worker. The state level implementation of the scheme is organised with the help of an accredited social health activist, ASHA – as an effective link between the Government and the poor pregnant women. For further details of JSY, refer : Government of India (2006)

Social Insurance Schemes

Another major category of social protection in India for unorganised sector labour (and thus for agricultural labour) is the social insurance schemes, which are meant to improve ability of the poor individuals and households to resist sudden shocks or losses caused by social and other contingencies. The two major generic schemes under this are the Janshree Bima Yojana (JBY), 2000 and the Universal Health Insurance Schemes (UHIS), 2004. While the former envisages life insurance protections to persons between 18-60 years old, living below or marginally above poverty line in rural areas, the latter assures hospital care to poor persons and families. Other centrally sponsored schemes that benefit agricultural labourers are `Personal Accident Insurance Scheme for Poor Families' and `Group Insurance Scheme for Landless Agricultural Labourers'. Though detailed evaluations of the above schemes are yet to be done, it is commonly observed that, these measures suffer generally from several drawbacks such as inadequate coverage, lack of effective beneficiary participation, improper implementation and so on. Further, the resource allocations towards these schemes are far from adequate that their sustainability of would be in question, if all the eligible beneficiaries effectively utilise it.

Welfare Funds

Welfare funds represent a slightly different mode and innovative way of providing social security to the workers in specific occupational categories. The various welfare funds, which are currently catering to different informal sector occupations in India, provide different types of welfare amenities to the workers such as healthcare, housing, educational assistance for children, drinking water and so on. However, at the central government level, there are no specific welfare funds functioning so far, which provide certain levels of social security to all the workers in the informal sector[23]. The impressive performance of welfare funds in funds in southern states, particularly in the state of Kerala, in the past few decades has been widely discussed in the literature[24] and several similar state level schemes (for instance, in Karnataka and Kerala) are currently being contemplated. A unique aspect of welfare funds is its effective involvement of multiple stakeholders in designing and implementing social safety nets[25]. Despite the fact that many of the older welfare funds functioning at state levels are facing severe bottlenecks and administrative problems currently, in view of their impressive track record, it is desirable to examine the replicability of the model in the national level, while designing more viable social security interventions for informal labour.

From the foregoing discussion, it is could be concluded that despite their impressive share in the workforce of the country, the unorganised labour generally lacks

[23] At present the central government runs five occupation-based welfare funds set up under various acts of Parliament. They are for: Beedi Workers, Limestone & Dolomite Mine Workers, Iron Ore, Chrome Ore & Manganese Ore Mine Workers, Mica Mine Workers & Cine Workers.

[24] Refer Kannan (2002) for a detailed discussion on the performance of welfare funds.

[25] The welfare funds in Kerala are being run with active support from trade unions and through contributions from workers, employers and the government (Kannan, 2002).

comprehensive and effective legislations as well as welfare schemes that assure a certain minimum level of social security. In this backdrop, the subsequent section discusses some of the recent initiatives (both promotional and protective) of the government to enhance the social security standards of unorganised labour in the country.

IV. Recent Initiatives

Due to a growing recognition of the burgeoning informal sector and its resultant adverse implications on labour standards as well as social security systems, during the recent past, the policy planners in India have been paying considerable attention towards designing more effective social safety nets and revamping the existing measures. Of late, issues like targeting, proper identification, expansion of coverage as well as designing of efficient delivery mechanisms received more attention than ever in the history. Along side this, mounting fiscal deficit scenarios forced the governments (both at the centre and in the states) to seek alternative approaches to devise more cost-effective and targeted interventions as well as to seek enhanced participation of and contributions from other stakeholders, such as the employers as well as the social/community actors (including the targeted beneficiaries themselves).

Food Security Initiatives

Since mid 1990s, a major area of intervention was in terms of targeting and strengthening the food based social security systems. The following table (Table 1) provides a summary of major initiatives in this sphere. In 1995, a major scheme on providing mid-day meals was launched through which some amount of cooked food was ensured per day to the children of indigent families. This measure not only acted as a means of nutritional support to the families of unorganised sector labour, but also provided an incentive for school enrolment of their children.

Table 1: Major Food Security Schemes in India since Mid 1990s

Programmes	Year of launching	Objective	Target Groups	Coverage
1. Mid Day Meals Scheme (MDMS)	1995	Nutritional support and incentive for enrollment and attendance of primary school children in government, government aided and schools run by local bodies	Cooked meal @ 100 gm per child per day or 3kg of dry food grains conditional on 80 per cent attendance	95.7 million
2. Community Grain Bank Scheme	1996	Prevention of starvation deaths in 13 identified states	Mainly Tribal population in remote and backward areas	Select regions in 13 identified states
3. Targeted PDS	1997	Subsidized foodgrains of 35 kg per household at 45 per cent of the economic cost	All Below Poverty Line (BPL) households (for Above Poverty Line (APL) households 35 kg of foodgrains at 66 per cent of the economic cost)	198 million househol ds

4. Annapurna Scheme	2000	Relief for the elderly poor (10 kg of foodgrain per person per month free of cost	Indigent senior citizens above 65 years of age who are eligible for old age pensions	0.48 Million
5. Antyodaya Anna Scheme	2000	Freedom from Hunger (35 kg of foodgrain at about 50 per cent of BPL rates)	Targeted towards poorest of the poor in the existing BPL population	20 million families

Source: Remesh and Satpathy, et.al (2006)

The next remarkable step was the introduction of the Community Grain Bank Scheme, which though launched on an experimental basis in select tribal regions, was generally hailed as an effective and innovative approach to ensure community involvement in the implementation of social security measures. In 1997, the PDS framework prevalent in the country was massively overhauled and a revamped and targeted system (TPDS) was launched, with a progressive and discriminatory pricing mechanism, through which a higher share of overall food subsidy was earmarked to those families below poverty line. These efforts, of streamlining the benefits to benefit the disadvantaged and needy segments of the society, were further supplemented with the introduction of two more programmes in 2000, namely Annapurna Scheme and Antyodaya Anna Scheme. While the former aimed at providing some food relief to the elderly in the impoverished families, the latter was objected to abate hunger among poorest of the poor. Though many of these schemes have been either lagging far behind their envisaged targets (in terms of coverage and delivery) or still functioning at the pilot stages, it is encouraging to see that social security reforms in the country are increasingly tilting towards meeting the requirements of more vulnerable segments.

Social Insurance and Pension Measures

In the social insurance sector also, the recent past witnessed a remarkable upsurge with the introduction a number of new schemes, the details of which are summarized in Table 2. A major and universal of social insurance scheme (Janshree Bima Yojana) was launched in 2000, along with the Life Insurance Corporation of India (LIC). The implementation of the scheme, which is currently functional and expanding, is designed with the help of some local level nodal agencies, which could be panchayats (local self governments), non-governmental organisations and self-help groups (SHGs) or any other institutionalised arrangements. Another scheme launched in collaboration with LIC in 2001, Krishi Samajik Suraksha Yojana, was aimed at providing some social insurance benefits to the farm workers. However, due to inadequate resources, the scheme was closed later in 2004. Yet another LIC aided scheme was the Varishta Pension Bima launched in 2003, which is being fully financed by the investments of the beneficiaries. Subsequently, in 2004, a community based Universal Health Insurance System was also launched by the public sector general insurance companies of the country, which aimed at providing some reimbursement of medical expenses; life-cum-accident insurance; and compensation on job loss to the families below poverty line. Some of the other social security initiatives introduced by the Government of India, in recent past[26], include:

[26] For details of these new social security initiatives, see Government of India (2008).

Handloom Weavers' Comprehensive Welfare Schemes[27], Handicraft Artisans Comprehensive Welfare Scheme[28], Pension to Mastercraftpersons[29], National Scheme for Welfare of Fishermen and Training and Extension[30], Aam Admi Bima Yojana[31] and Rashtriya Swasthya Bima Yojana[32]. In 2004, Government also launched a Comprehensive Social Security Scheme for the Unorganised Sector Workers, as a follow up to the recommendations of the Second National Commission on Labour (2002). However, as against the initial expectations the performance of the scheme, was not impressive and within two years of its launching, it became has become virtually non-operational (NCEUS, 2006).

Despite the fact many of the above mentioned insurance/pension schemes could not bring in any considerable solutions to the social security issues of unorganised sector labour, it is evident from the planning of these measures that, unlike the earlier periods, in the recent past, the Government has been attaching more attention and care towards involving other social partners (such as insurance companies; employers, community organisations, local bodies, SHGs and so on) as well as the beneficiaries themselves towards mobilising resources and effectively implementing the programmes.

Legislative Interventions and Initiatives on Social Security

Of late, there have been some commendable legislative initiatives in India that have bearings on the social security of unorganised sector workers. In 1996, two umbrella legislations towards regulating the conditions of work and provision of a measure of social security to the group of construction workers, which constitutes one of the largest segments of workers in the unorganised sector – were passed by the Parliament of India.

[27] During 2005-06 and 2006-07, the government was implementing two separate schemes (viz., `Health Insurance Scheme' for providing health care facilities to the handloom weavers; and `Mahatma Gandhi Bunkar Bima Yojana' for providing life insurance cover to the handloom weavers in case of natural/accidental death, total/partial disability due to accident). During the 11th plan, started in 2007, both these schemes have been merged into one integrated scheme called `Handloom Weavers' Comprehensive Welfare Scheme'. For more details, see Government of India (2008).

[28] This scheme, initiated in the 11th plan (2007-12) is an amalgamation of two existing schemes, which are operational since the 10th plan (2002-07) namely *Rajiv Gandhi Shilpi Swasthya Bima Yojana* (for providing health and insurance cover to an artisan's family) and *Bima Yojana for Handicrafts Artisans* (for providing life insurance cover to the handloom weavers in case of case of natural/accidental death, total/partial disability due to accident). For more details, see Government of India (2008).

[29] As per this scheme renowned and needy mastercraftpersons of 60 years or more are provided with a monthly pension. For more details, see Government of India (2008).

[30] This scheme launched in 1991-92 is also an amalgamation of two earlier schemes, namely Janata Personal Accident Policy (1982-83) and National Welfare Fund for Fishermen (1986-87). For more details, see Government of India (2008).

[31] This scheme also is being implemented through the Life Insurance Corporation of India. The scheme provides certain social security benefits to members of rural landless households (aged between 18-59 years) in the events of natural/accidental death, total/partial disability due to accidents and so on. For more details, see Government of India (2008).

[32] As per this scheme unorganised workers in the below poverty line category and their family members are eligible for certain health insurance and medical relief. For more details, see Government of India (2008).

Table 2. Major Social Insurance and Pension Schemes in India Since 2000

Programmes	Year of launching	Objective	Target Groups	Source(s) of contribution
1. Janshree Bima Yojana	2000	Insurance cover in the events of natural and accidental death as well as partial/permanent disability	Urban and rural poor who live below the poverty line or on the margin	Central Government and the beneficiaries/some nodal agency/state government
2. Krishi Samajik Suraksha Yojana	2001	Some life-cum-accident insurance, a lump sum money back after 10 years and a moderate pension	Agricultural workers in the age group of 18-50 years	Central Government and the beneficiaries
3. Varishta Pension Bima	2003	An assured annual return of 9 per cent on the investments of beneficiaries, in the form of monthly pension.	Unorganised workers aged 55 years and above	Fully financed with the investments of beneficiaries
4. Unorganised Sector Workers Social Security Scheme	2004	A moderate level of old age pension, personal accidental insurance and medical insurance.	Unorganised and self employed workers in the age group of 18-50 years and drawing a lower level of salary/wage/income per month	Beneficiaries and the Central Government
5. Universal Health Insurance Scheme	2004	Some reimbursement of medical expenses; life-cum-accident insurance; and compensation on job loss.	Persons and families below poverty line	Insurance premium from beneficiaries
6. Aam Admi Bima Yojana	2007	Provide some death and disability benefits to the rural landless poor.	Unorganised landless households	Central and state government
7. Rashtriya Swasthya Bima Yojana	2007	Provision of some health insurance to worker families.	Unorganised workers falling below the poverty line.	Government of India and the State government; A nominal annual fee from beneficiaries

Source: Compiled from NCEUS (2006) and Government of India (2008)

On the basis of these legislations [The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 & The Building and Other Construction Workers Welfare Cess Act, 1996], various states are expected to enact state level legislations. Subsequently, the Government notified the Building and Other Construction Workers (ECS) Central Rules, 1998, which stipulated several social security benefits to the construction workers including accident relief, old age pension, housing loans, payment of insurance premium, payment towards educational expenses of children, medical and maternity benefits and so on. Following these Acts, various state governments are currently in the process of enacting their own legislations. So far, six states have enacted such legislations and functioning of the new schemes under these legislations have been attaining momentum in states like Kerala and Tamil Nadu.

The Second National Commission on Labour (NCL), constituted by the Government in 1999 dealt with the social security concerns of unorganised sector in a detailed manner. One of the six special study groups constituted by the commission was on social security and in its final report submitted in 2002, the Commission provided detailed recommendations towards strengthening the social security system in the country. As mentioned elsewhere, in response to the Commission's recommendations, the Ministry of Labour prepared a pilot Unorganised Sector Workers Social Security Scheme (2004), which however met with limited response[33]. Further to this, the Ministry also prepared an Unorganised Sector Workers Bill, 2004, which contained measures relating to both social security and conditions of work in the informal sector.

The present Central Government also continues to uphold the priority attached to social security issues, and in its Common Minimum Programme (CMP), *inter alia*, recognized as one of its basic principles of governance the need to "enhance the welfare and well being of farmers, farm labour and workers, particularly those in the unorganised sector and assure a secure future for their families in every respect"[34]. In 2004, the Government set up a National Commission for Enterprises in the Unorganised Sector (NCEUS) to review, *inter alia*, the "social security system available for labour in the informal sector and make recommendations for expanding their converge". The NCEUS submitted its recommendations on social security enhancement in May 2006 to the Prime Minister of India and drafted a bill [The Unorganised Workers' Social Security (Draft) Bill, 2006], which was formulated after detailed review and examination of all the hitherto similar exercises in the country. It is widely acknowledged that Draft Bill proposed by the NCEUS is a substantive step towards provision of social security to informal sector workers (EPW, 2006). As per the plan of NCEUS, three forms of social security would be provided to about 300 million workers in the unorganised sector. These are health insurance, life insurance and old age security – involving joint financing by the workers, employers and the central and state governments. The NCEUS scheme is hailed as the first ever-comprehensive social security scheme for the unorganised sector in India (Kannan et.al, 2006) [35].

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[33] As a part of designing this system the Ministry also experimented the introduction of identity cards and identity numbers (Social Security Cards and Social Security Numbers) to the unorganised sector workers, which was again in line with the recommendations of the NCL

[34] The CMP further states that – " The UPA government is firmly committed to ensure the welfare and well being of all workers, particularly those in the unorganised sector, who constitute 93 per cent of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishernen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc. will be expanded".

[35] For a detailed account of the salient features of NCEUS Scheme and related discussions/criticisms, refer the special issue of *Economic and Political Weekly* on Social Security for Unorganised Workers (Vol. XLI, No.2, August 12-18, 2006), which contains a set of articles such as Kannan et. al (2006), Jose (2006), O'Keefe & Palacios (2006), Rao et. al (2006), Sankaran (2006), Duggal (2006) and Neetha (2006)

A distinct feature of the NCEUS's proposal is that it is a right based one, as it envisages the scheme in the form of a legally enforceable entitlement. Unlike many other earlier schemes, it makes all unorganised sector workers eligible for the social security, irrespective of their occupation and duration of employment. Yet another important aspect is that, if implemented, the NCEUS plan would provide a national floor level social security for all the informal workers throughout the country. Notwithstanding these merits, there are still discussions going on indicating some of the shortcomings of the proposals of NCEUS and suggestions for further refinement of the proposed plan of action. These include: the need for focusing first on promotional security measures rather than rushing with protective measures (as suggested by NCEUS); impracticability of the defined contribution model suggested (by which all workers will have to make a contribution); the meagerness of benefits envisaged; aspects of exclusion some segments (for instance, unpaid women workers) and so on These suggestions/shortcomings, however, no way undermine the importance of the proposals put forth by the NCEUS. Subsequently, the NCEUS has also prepared two more bills namely 'Unorganised Agriculture Sector workers (Conditions of Work and Livelihood Promotion) Bill, 2007' and 'Unorganised Non- Agriculture Sector workers (Conditions of Work and Livelihood Promotion) Bill, 2007'.

The latest initiative in terms of ensuring social security through legislative measures is the introduction of ` Unorganised Sector Workers' Social Security Bill, 2007' in Rajya Sabha (in September 2007). This bill was further referred to the Standing Committee on Labour (for a detailed review). The committee submitted its detailed suggestions in its 25th report to Parliament (in December 2007). All these indicate the importance attached by the Government of India and the Ministry of Labour and Employment on the crucial issue of social security provision to the unorganised sector.

Two other recent legislative initiatives of Government of India also require special mention in the ongoing discussion, as they undoubtedly act as promotional and enabling measures towards the realisation of social security to the informal sector. The first one, the National Employment Guarantee Act (NREGA), 2005 is a step towards legal enforcement of the right to work, as aspect of the fundamental right to live with dignity. The NREGA, 2005 (the provisions of which are currently being implemented in select regions and would be covering the entire country by 2010) ensures at least 100 days of guaranteed wage employment in a year to at least one adult member of very household. The work is to be provided within 15 days of demanding it and to be located within five kilometers distance. The salient features of the resultant National Employment Guarantee Scheme (NREGS) include the self-selection characteristics and the unemployment compensation to be paid by the government, in case the required minimum employment could not be provided. The available first round appraisals of the functioning of the NREGS provide mixed results. While the scheme is reported to be effective in certain regions/pockets, its performance is lagging behind in many other regions. Despite the widespread criticism regarding the narrow scope of the scheme (restricted to BPL households) and inadequate role of local bodies in selection of the beneficiaries, it is expected that the efficient implementation of the provisions of this scheme would enhance the social security levels and reservation income of the rural labour households, besides bringing in a rise in the rural wage levels across the country.

The second legislation, The Right to Information (RTI) Act, 2005 is expected to improve the effectiveness of the social security programmes, as it gives the people right to question the government and get information about any government activity (with few exceptions), which can mitigate corruption and improve efficiency of welfare programmes[36] (Dev, 2006). Already, the RTI Act has proved to be effective in the implementation of draught relief employment programmes in the state of Rajasthan and it is expected that it could do a lot towards the proper implementation of employment guarantee scheme (for instance, NREGA) and other social security programmes for the unorganised sector

V. Conclusion

On the whole, from the discussion in the paper, based on a critical review of the existing social security initiatives in India, it is evident that the past decade witnessed an unprecedented revival in the social security scenario of India, due to an increased recognition by the government, apropos the adverse labour market implications of the growing informal sector, in an era of globalisation of economies and production systems. Some of these interventions and initiatives though require further refinements and proper enforcement, invite more informed discussions at the national and international level. A welcome aspect of these new initiatives is the visible efforts of the government towards designing and implementing right-based social security systems, along with enabling governance structures, which *inter alia* seek more participation from all other stakeholders, including the targeted beneficiaries themselves.

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[36] Under the RTI Act, 2005 people can: demand from the government information pertaining to any of its departments; demand photocopies of government contracts, payments, estimates, measurements of engineering works etc.; demand to inspect any public development work that may be still under construction or completed; demand to inspect government documents – construction drawings, records, registers etc.; demand status of the requests or complaints and so on.

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