

Social Security and Globalization in India

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ABSTRACT

The concept of social security has evolved over a period of time. In the primitive societies it was mankind's prime need to protect himself from the vagaries of nature like earthquakes, famines or even finding shelter and food in his day to day life. Societal groups were formed to confront and brave such hazards which turned into community living and formation of villages and also bringing in the concept of a family. These institutions provided whatever limited social security those societies needed and served them adequately. The industrial revolution brought in its wake altogether a new set of needs for the workers. These workers living around factories were mostly dependent upon their wages for subsistence and sustenance. They had left their villages and families to come and work in the factories. In the event these workers were rendered jobless because of accident, injuries or sickness or may be their services were not required, they were to live on their savings or from help from the fellow workers. Such arrangements were found grossly inadequate and it was felt the civil society as a whole or the State was required to play a major role in providing much needed respite to workers under such circumstances. This is how the concept of social security kept evolving.

I INTRODUCTION

The term social security has been defined differently by various authorities and thus, there is no commonly accepted definition of the term. Recently, some new concepts viz. social safety nets, social protection and social funds relating to social security have emerged. Social safety nets are measures to mitigate the negative effects of structural adjustments mostly in form of cash payments. Broadly all these concepts are part of the all pervasive term social security. The social security is an instrument for social transformation and good governance.

In 1952 International Labour Organization (ILO) adopted a comprehensive Convention No. 102 concerning Minimum Standards of Social Security in which provisions of medical care, sickness benefits, unemployment benefit, old-age and invalidity benefits, employment injury benefit, family and maternity benefit. 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.

The labour policy followed in the successive five year plans since independence adopted an approach which rested on considerations that the basic needs of workers for food, clothing and shelter must be satisfied. The objective of achieving 'socialistic pattern of society' was the avowed goal of early five year plans and provisions were made accordingly for the welfare of workers. However, not much could be achieved by way of all these efforts. Majority of the labour laws enacted sought to benefit only the organized sector. The Employees State Insurance Act was enacted in

1948, and similarly the Factories Act too was enacted in the same year. The Employees' Provident Funds and Miscellaneous Provisions Act came on the Statute Book in 1952. The unorganized sector, however, was left almost out of all these efforts as far social security coverage was concerned.

Economic growth though important cannot be an end in itself. Higher standards of living as well as of development opportunities for all, stemming from the greater resources generated by economic growth, are the ultimate aim of development policy. This implies the need to bridge regional, social and economic disparities, as well as the empowerment of the poor and marginalized, especially women, to make the entire development process more inclusive. The draft Twelfth Five Year Plan's subtitle 'Faster, More Inclusive and Sustainable Growth', puts the growth debate in the right perspective. The government's targeted policies for the poor, with the prospect of fewer leakages, can help better translate outlays into outcomes

As India addresses the challenges of the twenty-first century and manages its rise globally, constructing and implementing a modern social security system represents one of its major imperatives. A modern social security system can enable India to cushion the burden on workers of restructuring public and private organizations; to increase the legitimacy of further reforms; and to encourage individuals and firms to engage in entrepreneurship and make creative career choices. All three are essential for India to emerge as a resilient knowledge-driven economy and society.

The global economic and financial crisis which has persisted for the last five years has not only exposed the vulnerability of almost all the countries over the globe to external shocks, but also has lessons for development planning. Countries need to have inbuilt social safety nets for facing such eventualities, which affect the weak and vulnerable the most, and wipe out the fruits of growth for years. India with its focus on inclusive development and timely interventions has, however, been able to weather the crisis better than many other countries. The coverage of social security schemes has been expanded to provide a minimum level of social protection to workers in the unorganized sector and ensure inclusive development.

II DISCUSSION

India is on the brink of a demographic revolution with the proportion of working-age population between 15 and 59 years likely to increase from approximately 58 per cent in 2001 to more than 64 per cent by 2021, adding approximately 63.5 million new entrants to the working age group between 2011 and 2016, the bulk of whom will be in the relatively younger age group of 20-35 years. Given that it is one of the youngest large nations in the world, human development assumes great economic significance for it as the demographic dividend can be reaped only if this young population is healthy, educated, and skilled. The emphasis on human development also gains significance in the light of our major social indicators in the recent past being less encouraging than those of our neighbours like Bangladesh and Sri Lanka. Therefore policy planners in India have, over the years, engaged themselves in making more inclusive growth and development policies, focusing on human development. This approach has been reflected in the substantial enhancement in budgetary support for major social-sector programmes during 2012-13 like the Pradhan Mantri Gram Sadak Yojana (PMGSY), Backward Regions Grant Fund, Right to Education (RTE)-Sarv Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan, National Rural Health Mission (NRHM), and rural drinking water and sanitation schemes.

Both Central and State Governments have been taking initiatives for the welfare and social security of the workers in the unorganized sector. The Ministry of Labour & Employment is implementing welfare schemes for certain categories of unorganized sector workers like beedi workers, cine workers and certain non-coal mine workers. Similarly, several insurance/poverty alleviation schemes are being implemented by various Ministries/Departments, as well as by

States like Kerala and Tamil Nadu which have constituted Welfare Funds for certain occupational groups. Some States have launched certain group insurance schemes for their workers. Yet, some states like West Bengal initiated State Assisted Provident Fund Schemes for the unorganized workers. However, coverage under various initiatives has been miniscule.

The National Common Minimum Programme (NCMP) of the United Progressive Alliance (UPA) Government has accorded high priority to the matter of ensuring the welfare and well-being of workers, particularly those in the unorganised sector like agricultural workers, construction workers, beedi workers, handloom workers, leather workers, etc.

The Ministry of Labour & Employment drafted the "Unorganised Sector Workers Bill, 2004" which, inter-alia, envisages provide for safety, social security, health and welfare matters. The National Advisory Council (NAC) has forwarded a draft Bill namely, 'the Unorganised Sector Workers Social Security Bill, 2005. In the meantime, the National Commission for Enterprises in the Unorganised Sector (NCEUS) has also drafted two bills i.e. (i) Unorganised Sector Workers (Conditions of Work & Livelihood Promotion) Bill, 2005 and (ii) Unorganised Sector Workers Social Security Bill, 2005. The National Commission for Enterprises in the Unorganised Sector has also presented its report on Social Security for Unorganised Sector Workers in May, 2006. The recommendations of the NCEUS's report, amongst other, include that any worker registered with the National Social Security Scheme for the unorganized workers, on payment of prescribed contribution, shall be entitled to National Minimum Social Security benefits including health insurance, maternity benefit, insurance to cover natural and death due to accident, old age pension to Below Poverty Line (BPL) workers above the age of 60 years and Provident Fund for above poverty line (APL) workers.

The Constitution of India enacted upon independence of the country though does not provide for compulsory institution of social security for all, yet, its directive principles of state policy contained in article 38 to 47 provide for theme idea in this regard explicitly. Same precisely provides for as under:

- The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

- The State shall in particular strive to minimize the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.
- The State shall in particular, direct its policy towards securing –a) that the citizens both men and women equally have the right to an adequate means of livelihood; b) that the ownership and control for the material resources of the community are so distributed as best to sub-serve the common good; and
- The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

Social security in our country has evolved in conformity with the spirit of this loftily goal. However, it has remained confined primarily to the organised sector which comprises not more than 7% of the workforce. Social security for the unorganized sector is justified primarily on grounds of equity and social justice. As pointed out by the First National Commission on Labour, the unorganised sector is characterized by irregular employment, unstable income, prevalence of piece wage rates and absence of any legal protection with regard to income, employment, health and safety. Further, in view of the low skill levels of this workforce, there is almost no scope for them to move vertically in the occupational ladder to increase their financial situation.

Though the Government has taken several initiatives i.e. legislative measures and welfare schemes/programmes to improve the lot of this segment of working class, still the coverage is miniscule. The National Common Minimum Programme (NCMP) of the present Government highlights the commitment of the Government towards the welfare and well being of all workers, particularly, in the unorganized sector. The NCMP states that:

“The UPA Government is firmly committed to ensure the welfare and wellbeing of all workers, particularly those in the unorganized sector who constitute 93% of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc. will be expanded.”

III CENTRALLY FUNDED SOCIAL ASSISTANCE SCHEMES

(a) National Old Age Pension Scheme (NOAPS) - The Government has been implementing National Old Age Pension programmes for destitute persons of more than 65 years of age. The amount of pension which was Rs. 75/- p.m. per beneficiary till now has been increased to Rs 200/-p.m. In addition to the central share, some States by adding their own share give pension at the enhanced rates.

(b) Swarnajayanti Gram Swarozgar Yojana (SGSY) - The objective of the scheme is to bring the self-employed persons above the poverty line by providing them income-generating assets through bank credit and Government subsidy.

(c) Sampoorna Grameen Rozgar Yojana (SGRY) - The Sampoorna Grameen Rozgar Yojana was launched in September 2001. The objective of this programme is to provide additional wage employment in the rural areas as also food security and creation of durable community, social and economic infrastructure in the rural areas. 48.75 crore mandays were created under this scheme upto November 2005 (2005- 06). The Centre's contributions in terms of the cash and foodgrains components up to January, 2006 were Rs. 4651 crore and 35 lakh tones, respectively. Under the special component, about 11.65 lakh tones of foodgrains have been released to the 11 calamity-hit States in the current year.

(d) Indira Awas Yojana (IAY) - The Government is implementing Indira Awas Yojana (IAY) with the objective to provide dwelling units, free of cost, to the Scheduled Castes (SCs), Scheduled Tribes (STs), and freed bonded labourers, and also the non- SC/ST BPL families in rural areas. A financial assistance of Rs. 25,000/- per unit in the plains and Rs. 27,500/- for hilly/difficulty areas is provided under this scheme.

(e) National Rural Health Mission (NRHM) - The Government has recently launched National Rural Health Mission which seeks to provide effective health care to rural population including unorganized sector labourers throughout the country.

(f) National Rural Employment Guarantee Act (NREGA) - Recently the Government has enacted National Rural Employment Guarantee Act which provides for 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. About 56 lakh workers

have so far been getting benefit under the Act which also provides an insurance cover of Rs. 25,000 in case of death of a worker due to accident.

(g) **Swarna Jayanti Shahari Rozgar Yojana (SJSRY)** - The Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP), are the two special components of the SJSRY.

IV SOCIAL INSURANCE SCHEMES

(a) **Aam Admi Bima Yojana (AABY):** The Janashree Bima Yojana (JBY) has now been merged with the AABY to provide better administration of life insurance cover to the economically backward sections of society. The scheme extends life and disability cover to persons between the ages of 18 and 59 years living below and marginally above the poverty line under 47 identified vocational/occupational groups, including 'rural landless households'. It provides insurance cover of a sum of Rs.30,000 on natural death, Rs.75,000 on death due to accident, Rs.37,500 for partial permanent disability due to accident, and Rs.75,000 on death or total permanent disability due to accident. The scheme also provides an add-on benefit of scholarship of Rs.100 per month per child paid on half-yearly basis to a maximum of two children per member studying in Classes 9 to 12 (including ITI courses). The total annual premium under the scheme is Rs.200 per beneficiary of which 50 per cent is contributed from the Social Security Fund created by the central government and maintained by the Life Insurance Corporation of India (LIC). The balance 50 per cent is contributed by beneficiary/state governments/union territory (UT) administrations. The scheme is being implemented through the LIC. A total of 289.94 lakh lives under the JBY and 178.67 lakh lives under the AABY had been covered till December 2012.

(b) **Universal Health Insurance Scheme (UHIS):** The Government has also launched heavily subsidized Universal Health Insurance Scheme (UHIS) for BPL families. The benefits under the scheme are: reimbursement of hospitalization expenses vide Rs. 30,000/- for the family, and personal accident insurance cover of Rs. 25,000/- etc. The premium for an individual is Rs. 165/- per annum (Subsidy Rs. 200/-), for a family of 5 (including the first 3 children), Rs. 248/- (Subsidy Rs. 300/-) and for a families upto to seven, Rs. 330/- (Subsidy Rs. 400).

(c) **Deen Dayal Hathkargha Protsahan Yojana (DDHPY)** has been launched to provide assistance to the handloom weavers for basic inputs like looms, working capital loans etc. The centrally sponsored scheme entailed an expenditure of Rs. 257 crore (approx) during Xth Plan.

(d) **Work shed-cum-Housing scheme:** A subsidy of Rs.7,000/- for rural work shed and Rs.9000/- for urban work shed is extended to the handloom weavers by the Government.

(e) **Thrift Fund Scheme:** The scheme envisages the benefits like temporary advance, partial and final withdrawals. The scheme is implemented through the Weavers' Cooperative Societies/Corporations etc. A sum of Rs. 4.12 crore was released to the State Governments to cover 1,04,075 weavers.

(f) **The Health Package Scheme:** The scheme provides financial assistance for reimbursement of cost of medicine and treatment of diseases like T.B., Asthma upto Rs.1500/- per weaver per annum, cost of testing of eyes Rs.40/- and cost of spectacles Rs.150/-, Rs.35,000/- for bore-well for supply of drinking water in weavers locality, maternity benefit of Rs.500 per delivery twice in lifetime and Rs. One lakh for primary health centre, etc.

(g) **Mahatma Gandhi Bunkar Bima Yojana** has been launched on 2.10.2005 through LIC. Under the scheme, the sum assured is Rs. 50,000 in case of natural death, Rs. 80,000 in case of accidental death. An amount of Rs, 3.15 crore has been sanctioned to LIC upto 28.2.06 to cover 210000 weavers.

(h) **Development of model fishermen villages:** It provides basic civil amenities such as housing, drinking water and construction of community hall for fishermen villages.

(i) **Group Accident Insurance Scheme for Active fishermen:** The active fishermen are ensured for a sum of Rs.50,000 for one year against death or permanent total disability and Rs.17,500 for partial total disability.

(j) **Saving-cum-Relief for the Fishermen:** Under the saving-cum-relief component, marine fishermen contribute a part of their earnings during non-lean months @Rs.75/- per month which is matched with equal contribution shared on 50:50 basis between the central and state governments and the beneficiary is paid Rs.300 per month during the lean season of four months.

(k) Midday Meal Programme: After Tamil Nadu introduced a successful MDM programme in schools, the National Programme of Nutritional Support to Primary Education was launched across India in 1995. The MDM programme aims to increase primary school attendance and to improve the nutritional status of school children. Generally, the programme serves children aged 6–11. However, some upper primary schools also run the MDM programme, and recent union budgets have made a separate provision for upper primary schools. Under the MDM scheme, cooked meals are to be served during lunchtime in the school, with a calorie value equivalent to 100 gm of wheat or rice per student per school day. In some places, a dry ration is provided to be carried home based on a certain minimum level of school attendance.

(l) Rashtriya Swasthya Bima Yojana (RSBY):

The scheme provides smart card-based cashless health insurance cover of ` 30,000 per family per annum on a family floater basis to BPL families in the unorganized sector with the premium shared on 75:25 basis by central and state governments. In case of states of the north-eastern region and Jammu and Kashmir, the premium is shared in the ratio of 90:10. The scheme provides for portability of smart card by splitting the card value for migrant workers. As on 31 December 2012, the scheme is being implemented in 27 states/ UTs with more than 3.34 crore smart cards issued.

(m) The Unorganized Workers Social Security Act 2008 and National Social Security Fund:

The Act provides for constitution of a National Social Security Board and State Social Security Boards which will recommend social security schemes for unorganized workers. The National Social Security Board was constituted in August 2009. It has made some recommendations regarding extension of social security schemes to certain additional segments of unorganized workers. A National Social Security Fund with initial allocation of Rs.1000 crore to support schemes for weavers, toddy tappers, rickshaw pullers, beedi workers, etc. has also been set up.

(n) Social Security Agreements (SSAs):

SSA, a bilateral instrument to protect the interests of Indian professionals as well as self-employed Indians working in foreign countries, was initiated by signing an SSA between India and Belgium on 3 November 2006. So far India has signed 15 SSAs with Belgium, Germany, Switzerland, France, Luxembourg, Netherlands, Hungary, Denmark, Czech Republic, Republic of Korea, Norway, Finland, Canada, Sweden, and Japan. These SSAs facilitate mobility of professionals between two countries by exempting them from double payment

of social security contributions and enables them to enjoy the benefits of exportability and totalization.

V CONCLUSION

Central Government expenditure on social services and rural development has gone up consistently over the years. The share of Central Government expenditure on social services including rural development in total expenditure (plan and non-plan) has increased from 11.23 per cent in 2002-03 to 19.44 per cent in 2008-09. Central support for social programmes has continued to expand in various forms although most social sector subjects fall within the purview of the States. Major programme specific funding is available to the states through the Centrally-sponsored schemes.

Expenditure on social services by the General Government (Centre and States combined) has shown increase in recent years reflecting higher priority to social services. Expenditure on social services as a proportion of total expenditure increased from 19.3 per cent in 2003-04 to 21.6 per cent in 2006-07 and further to 22.4 per cent in 2007-08 and 24.1 per cent in 2012-13. Expenditure on education as a proportion of total expenditure has increased from 9.5 per cent in 2003-04 to 10.8 per cent in 2012-13. Share of health in total expenditure has also increased from 4.3 per cent in 2003-04 to 5.1 per cent in 2012-13.

The Government in recent years has increased its outlays in the social sector. However, the reach of public and quasi-public goods and services supplied by the state to people still leave a lot of scope for improvement. There are still leakages in the schemes and the benefits in full do not reach the intended target groups of people. At the same time, some innovative measures have been initiated in NREGS to bring in more transparency in disbursements of funds and prevent leakages. However, it is necessary that for every programme, an Internet accessible public accountability information system (PAIS) should be available. This system would provide information about the funds allocated and the expenditure made along with the name of the beneficiaries. This system should be accompanied by an integrated smart card system which empowers the citizen to demand approved/ budgeted entitlements as right. The system needs to be built on the identification and issue of unique ID number to all residents. Based on this Unique ID number (UID) and associated information all residents should be entitled to a smart card containing specified unchangeable data. Entitlements would then need to be based upon the data contained in the smart card and services/subsidies/entitlements received would also be

recorded against this card. This system would help in proper targeting and ensuring services reaching the intended beneficiaries of the Government programmes and hence serve as the basis of efficient delivery of services. UID scheme is a Planning Commission initiative and the initial UID database would be created using the electoral rolls database of the Election Commission of India. This database would be then enriched through linkages with partner databases. Initially, the linkages would be made with ration card database of the Department of Food and Public Distribution and the Below Poverty Line database created from the socio-economic household survey conducted by the Ministry of Rural Development. The Government of India has approved the constitution of UID Authority of India (UIDAI) as an attached office of the Planning Commission with an initial core team of 115 positions. The Planning Commission is in the process of positioning the core team.

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