

Social Security & Welfare Measures for unorganised workers

By the Indian Government

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Abstract

My paper talks about the various steps taken by the Indian Government for the Social security & Welfare of the unorganised workers in the Construction sector.

It discusses the various schemes introduced by the Central and the State Government which play vital role for the development and betterment of the unorganised workers in construction sector.

I. Introduction

When we talk about Social security and that too for the unorganised workers, it needs to be discussed at two different levels i.e., social security and the unorganised workers. Well, there is no commonly accepted definition of Social security but, social security is the most faithful friend towards the end of our life, when everybody shows their back. According to the ILO the term social protection encompasses a framework "which provides guaranteed basic social support for the citizens rather than on their rights." It includes all sorts of statutory or non-statutory schemes, formal or informal, provided that the contributions to these schemes are not wholly determined by market forces.

II. Objectives of the Study

The main objectives of the study were:-

1. To study about the various social security measures for the unorganised labors by the Government.
2. To study what is unorganised sector.
3. To bring into light the problems faced by the unorganised labors.

III. Methodology

The main areas which I visited for the present study were

1. The over bridge on Ganges river where the labors of L&T worked.

2. Geetanjali construction site for Apartment near Patna Gaya route.
3. Construction site near Patna junction for the construction of over bridge.
4. Localides near my home who worked every day for different sites.

This assessment was carried on the basis of the primary and the secondary information based on the personal visit.

IV. Definition and Importance of social security

Social security is protection furnished by the society to its members through a series of public measures against the economic and social distress that are caused due to absence of earnings or substantial reduction or stoppage of earnings resulting from sickness, maternity, employment injury, unemployment, social disability, old age and death and further to provide healthcare, including preventive measures.

The social security measures include social insurance, social assistance, family benefits, healthcare and other social services, and related social welfare services.

An unorganised sector is a sector where the main components of organised sectors are not visible or present. The term unorganised worker has been defined under the Unorganised Workers' Social Security Act, 2008, as a home based worker, self-employed worker or a wage worker in the unorganised sector and includes a worker in the organised sector who is not covered by any of the Acts mentioned in Schedule-II of Act i.e. The Employee's Compensation Act, 1923, The Industrial Disputes Act, 1947, The Employees' State Insurance Act, 1948, The Employees Provident Funds and Miscellaneous Provisions Act, 1952, The Maternity Benefit Act, 1961 and The Payment of Gratuity Act, 1972.. Construction sector comes under unorganised sector of economy.

Unorganised workers consist of "those working in the unorganized sector or households, excluding regular workers with social security benefits provided by the employers. Most of them are poor and illiterate, do not have any assets, and also do not possess any marketable skills. Many of them are subject to occupational illness and hazards, and lack awareness of laws that protect them. The activities in which they are engaged usually escape attention of the government machinery for enforcing labour laws and regulations, and even for providing social security. In India the ratio of the unorganised workers is far larger than the organised workers. According to the survey conducted by National Sample Survey Organisation (NSSO) in 2004-05, 433 million workers were in the unorganized sector which constituted

about 94% of the total labour force. But still they possess a poor living condition. Although the Indian government has passed many laws and acts but its proper implementation is still a monumental task. Recognizing the need of providing social security to unorganised workers, irrespective of their informal or formal capacity, the Government has enacted the Unorganised Workers' Social Security Act 2008. The Act provides for constitution of Nation Social Security Board to recommend social security schemes viz. life and disability cover, health maternity benefits, old age protection and any other benefit as may be determined by the Government for unorganized workers.

The Government is working on modalities to provide relief to a large number of workers in the unorganised sector through legislative measures. The Government has enacted certain legislations for the protection of these workers. Some of the legislations applicable to the workers in the unorganised sector include the Workmen Compensation Act, 1923; the Minimum Wages Act 1948; the Maternity Benefit Act, 1961, the Contract Labour (Abolition & Prohibition Act, 1970; the Bonded Labour System (Abolition) Act, 1976; the Inter-State Migrant Workmen (RECS) Act, 1979; the Building and Other Construction Workers (RECS) Act, 1996; and the Building and Other Construction Workers Welfare Cess Act, 1996. Apart from these Government of India has also passed various schemes which is beneficial for the unorganised workers of almost all the sectors including the construction sector. Let us have a look

When we talk about the Social Insurance Schemes we have the following schemes:-

Janshree Bima Yojana (JBY): Janshree Bima Yojana is a group insurance scheme implemented by LIC available to people between ages of 18 to 60 years and are living below or marginally above poverty line. The scheme is extended groups of 25 members or above. The benefits under the scheme include Rs.30, 000 in case of natural death; Rs.75, 000 in case of death due to accident.

Universal Health Insurance Scheme (UHIS): The Government has also launched heavily sub sized 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.

Krishi Shiksha Aur Samajik Suraksha Yojana 2001 aimed to provide one million agricultural workers in 50 districts over a span of five years with a monthly pension ranging

from Rs. 100 to Rs.1, 900 depending on the age of entry into the scheme, on attaining 60 years of age.

Shiksha Sahayog Yojana Another scheme called Shiksha Sahayog Yojana has been introduced under which an allowance of Rs.100 per month is paid to the children of parents living below the poverty line and studying in 9th to 12th Standard to meet their educational expenses so that the needy students are not deprived of the opportunity to continue their education for want of funds.

National Old Age Pension Scheme (NOAPS): The Government has been implementing National Old Age Pension programmes for needy 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.

Swarnajayanti Gram Swarozgar Yojana (SGSY)-This scheme aims at bringing the self-employed persons above the poverty line by offering income-generating assets through bank credit and Government subsidy.

Sampoorna Grameen Rozgar Yojana (SGRY); the objective of this scheme is to provide additional wage employment in the rural areas and also food security and creation of durable community, social and economic infrastructure in the rural areas.

Indira Awas Yojana (IAY): The Government has launched 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. Up to January 30, 2006, about 138 lakh houses had been constructed/upgraded with an expenditure of Rs. 25,208 crore.

National Rural Health Mission (NRHM): The Government has also launched National Rural Health Mission which will provide effective health care to people in rural areas including unorganized sector labourers.

National Rural Employment Guarantee Act (NREGA): Yet another scheme which the Government has enacted is 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.

Social security schemes launched during 9th & 10th five year plan

Krishi Shramik Samajik Suraksha Yojana

The Government has launched the Krishi Samajik Suraksha Yojana, 2001 w.e.f. 1st July, 2001 through Life Insurance Corporation of India (LIC) in 50 identified districts in the country to cover 10 lakh agricultural workers @ 20,000 in each district during the first phase of three years. Every agricultural worker within the age group of 18-50 is eligible to join the scheme. The worker is required to pay Rs. 1/- per day (Rs. 365/- per year) and the contribution of the Government is Rs. 2/- per day. The Government contribution is to come from Social Security Fund. The benefits include group insurance, the lump sum amount of Rs. 4,000/- as money back after 10th year and to be doubled after every next 10 years till the age of 60 years, pension ranging from Rs. 100/- to Rs. 1900/- per month depending upon the age of entry. The Scheme has since been closed. The workers registered under the Scheme as on 31st March, 2003 (around 2.5 lakh) would however, be receiving the benefits under the Scheme.

The Government launched the 'Unorganised Sector Workers' Social Security Scheme, 2004' in January 2004 on pilot basis in 50 districts covering all States. The scheme envisages three benefits: old age pension at the rate Rs. 500/- per month on attaining the age of 60 years; personal accident insurance cover of Rs. one lakh; and coverage under Universal Health Insurance Scheme. There was provision of contribution by the Worker, Employer and the Central Government. The Worker's contribution was @ Rs.50/- p.m. (18-35 Yrs) and @ Rs.100/- p.m. (36-50 Yrs). The Employer was required to contribute Rs.100/- p.m. in both the categories. Self-employed workers in the age group of 36-50 years to contribute employer's share also. The Government's contribution was @ 1.16% of the wages of the workers towards pension scheme as available in the organized sector. EPFO was to issue Unique Social Security Number (Card) to each registered worker. Only 3500 workers who were mostly self-employed could be enrolled. It was observed that the Scheme was not financially viable because it has no statutory backing and was voluntary in nature. Further, contribution from the employers was also not forthcoming. The scheme has since been closed.

UPA GOVERNMENT INITIATIVES:

The present Government attach high priority to the welfare of all workers. This is also included as one of the items of the National Common Minimum Programme (NCMP) which state 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% 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.”

The Ministry of Labour & Employment drafted the ‘Unorganised Sector Workers Bill, 2004’ which, inter-alia, envisages to 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) on the request of Ministry of Labour & Employment 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. All the four draft Bills are being examined in consultation with all stakeholders. The discussions are being held with LIC and other insurance agencies to formulate a social security scheme comprising of life/accidental insurance, maternity benefits, health insurance and pension.

The National Commission for Enterprises in the Unorganised Sector (NCEUS) has presented its report on the Social Security for the Unorganized Sector Workers to the Government in May, 2006. Amongst its various recommendations the Commission has recommended old age pension of Rs.200/- per month to all workers aged 60 years and above and belonging to BPL families. Similarly, the Commission has also recommended provision of provident fund to all other workers (above poverty line) with a minimum guaranteed return of ten per cent to the workers, under the proposed provident fund scheme. The Social Security Scheme, as recommended by the Commission includes a hospitalization cover of Rs.15,000/- per year, maternity benefit of Rs.1,000/- per delivery, a personal accident cover of Rs.25,000/-

and sickness cover of 15 days to all registered workers. The sum assured for natural death of the worker as per the scheme is Rs.15, 000/-.

All above proposals are being examined in consultation with all stake holders. It is the endeavour of the Government to enact legislation and formulate a social security scheme for the unorganized sector workers during 11th Five Year Plan.

The Government, however, in anticipation of finalization of a social security scheme for the workers in the unorganized sector has allocated a token outlay of Rs. 5 crore for the annual plan of year 2006-07.

Strategy for the Eleventh Five Year Plan

Extension of existing social security legislations i.e. The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees State Insurance Act, 1948 to the identifiable groups in the unorganized sector.

The threshold limit of workers in an establishment under both these organization i.e. ESIC and EPFO should be reduced by amending the respective legislations so that a large number of unorganized sector establishments/workers are covered.

A National Social Security Policy for the unorganized sector and formulation of a detailed action plan to cover as many segments of the unorganized workforce as possible under some form of social security with the ultimate goal of covering all unorganized workers in the long run.

There is need of social security scheme providing for minimum benefits of medical and health care, personal & accidental death cover, maternity benefit and old age pension. There are some models under consideration. However, any scheme would prove sustainable only if it has statutory backing and commitment of regular flow of Government funds.

The scheme under Rural Employment Guarantee Act now being implemented in 200 districts should be extended to all 600 districts (app.) during 11th Five Year Plan.

There is a need of organizing massive awareness generation programmes for propagating and publicizing the existing schemes/programmes which are in operation for the poor including unorganised sector workers.

Main Focus of 11th Five Year Plan

Extension of National Old Age Pension Scheme (NOAPS) to be extended to all old age persons above 60 years of age and who are living below the poverty line.

Government to adopt a pivotal and proactive role in encouraging contribution based social security schemes for the workers in the unorganized sector which are as far as possible self-financing and sustainable.

Involvement and active role to be played by Banking and Insurance sector in designing and implementing contribution based micro-credit, insurance and pension schemes for workers in the unorganised sector.

Identification of mechanism where employers have to contribute towards the social security programme of the workers.

Improve efficiency of delivery mechanism of existing programmes to reach the workers in the unorganized sector.

State as a welfare state to play an important role in providing required funds for providing minimum level of social security viz. group insurance, medical & health care, maternity benefits and pension to the unorganized sector workers. The beginning may be made with the most vulnerable section of such workers.

Creation of National Social Security Authority and formulation of a National Social Security Policy.

V. Conclusion

However the benefits rendered by many of these social security schemes are still too meagre to pull those covered under any social security scheme out of even the officially determined poverty line. The 10th Five Year Plan aimed at the re-orientation of social assistance schemes (i.e., government schemes for pension and allowances) and social insurance schemes (i.e., welfare funds) to make them more effective.

VI. References

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