Volume : 1 | Issue : 7 | Dec 2012 • ISSN No 2277 - 8179

Research Paper

Economics

KEYWORDS :

An Analysical Study on the Labour Welfare Measures in Indi

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Introduction

Social security in India was traditionally taken care of by the set up of family community in general. With the rapid industrialization / urbanization beginning during the early 20th century resulting to an extent the break up of the family set up the need for institutionalized and State-cum-society regulated social security arrangement has been felt necessary. The problem has been aggravated further with the ageing of the society and embarking towards market economy.

Institutionalized social security in an organized manner covering old age/post service financial support and for providing invalidity and survivorship protection in respect of workers employed in industrial and commercial sector establishments and their family members after death of the worker was not available in India during pre-independence era until 1947. Only a handful of Govt, employees had the benefit of retirement pension or contributory provident fund together with other complementary support for them and their family members to take care of their old-age/post service retrial period and their family members after their death. Similarly, very few of the then industrial/commercial sector establishments, in their own wisdom had extended certain measures in this regard on voluntary basis for their employees. A large majority of workers remained uncovered without any support measure and were left to fend for themselves. This situation in its normal impact had created an unstable future and dependency upon family unsure of future position. Lack of financial strength often created a void and genuine hardship during the fag end of their life. The position started worsening with the weakening of family bondage for various social and economic factors. The background of this socio-economic position, perhaps, prompted the need for addressing this problem in a planned manner in wider social/economic interest at national level. Currently ongoing measures towards transformation process for trade and industry and consequential change in the nature of destabilization in employment arena, and increase in longevity in general world over has added new dimension to the issue and enhanced the requirement further towards a planned and regulated institutionalized measure in the form of social security in its common understanding.

Accordingly, over the years, 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 have 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 unorganized 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. All the four draft Bills are being examined. 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 Report as well as all the draft Bills are being examined in consultation with all concerned partners.

Magnitude of Workforce in the Unorganised Sector

The first national Commission on Labour (1966-69) has defined unorganised labour as those who have not been able to organise themselves in pursuit of common objectives on account of constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments and the position of power exercised over them by employers because of the nature of the industry. Nearly, 20 years later, the National Commission on Rural Labour (1987-91) too portrayed a similar picture and contributory factors for the unorganised workforce in India.

In the rural areas, the unorganised sector mainly comprises landless agricultural labourers, small and marginal farmers, share croppers, those engaged in animal husbandry, poultry and fishing activities, rural artisans, forest workers, toddy tappers etc. whereas in the urban areas it comprises mainly of manual labourers engaged in construction, carpentry, trade transport, communication etc. and also includes street vendors, hawkers, head load workers, garment makers etc.

As per the survey carried out by National Sample Survey Organisation in the year 1999-2000, the total employment in both organized and unorganised sector in the country was of the order of 397 million. Out of this, about 28 million were in the organised sector and the remaining 369 million in the unorganised sector. A similar survey carried out by the NSSO in the year 1993-94 had shown that the total employment in both the organized and unorganised sector was 374 million out of which around 27 million were in the organised sector and the balance 347 million in the unorganised sector.

These estimates very clearly reveal that whereas there has been almost no increase in the workforce in the organized sector, it has increased by 22 million between 1993-94 to 1999-2000 i.e. six years.

Justification for social security for unorganised sector

The Constitution of India enacted upon independence of the country though does not provide for compulsory institution of

Volume : 1 | Issue : 7 | Dec 2012 • ISSN No 2277 - 8179

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 unorganised sector is justified primarily on grounds of equity and social justice. As pointed out by the First National Commission on Labour (which has also been confirmed by various studies), 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 Prgramme (NCMP) of the present Government highlights the commitment of the Government towards the welfare and well being of all workers, particularly, in the unorganised sector. The NCMP 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% 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."

In this direction the government proposes to enact a comprehensive legislation for the workers in the unorganised sector to provide social security to these workers. The proposal is at the stage of consultation with all concerned. It is endeavour of the Government to enact such a law which is beneficial for the workers and is equally acceptable to all other social partners.

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 subistenance 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.

In 1952 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.

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'.

Social security comprises mainly two elements job/work and income securities. That is why social security is taken linked to work or economic security. As important as the work security is income security. Inadequate income resulting from unprotected and irregular employment, is a direct threat to their lives and families. Their income needs to be protected against the vagaries of economy. Therefore, socially relevant minimum wages should be guaranteed. In addition to income security, certain other basic elements of social protection are also essential towards work security. These are health care, including maternity benefits (anti-natal and postnatal care), shelter and education.

Social security to the workers would involve providing or framing such schemes or services or facilities and amenities which can enable the workers to lead a decent minimum standard of life and having financial/economic security to fall back upon in the event of loosing job for whatsoever may be the reason in the circumstances beyond their control. The workers must be given the wages and other services which will enable them and the members of their family to lead a decent life. The social security is an instrument for social transformation and good governance.

The social security schemes in India cover only a very small segment of the workers. The workers employed in the public sector, are provided with a budget- financed medical and old age benefits. Out of an estimated work force of about 397 million only 28 million workers are having the benefits of formal social security protection. About 24 million workers were covered under various employees provident funds schemes and about 8 million workers were covered under the ESIS, in addition to about 4.5 million under the Workmen Compensation Act and about 0.5 million under the Maternity Benefit Act in the year 2000.

Social Security Laws

The social security legislations in India derive their strength and spirit from the Directive Principles of the State Policy as contained in the Constitution of India. These provide for mandatory social security benefits either solely at the cost of the employers or on the basis of joint contribution of the employers and the employees. While protective entitlements accrue to the employees, the responsibility for compliance largely rests with the employers. The major enactments are:

Employee's Provident Funds and Miscellaneous Provisions Act, 1952

The Employee's Provident Funds and Miscellaneous Provisions Act, 1952 is a welfare legislation enacted for the purpose of instituting a Provident Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress and/or unable to meet family and social obligations and to protect them in old age, disablement, early death of the bread winner and in some other contingencies.

Business Process Re-engineering

The "Re-inventing EPF, India" Project initiated in June 2001 is the denouement to more than a decade of initiatives to address the evolving needs of the Organization and keep it attuned to the momentous structural changes in the Indian Economy as it adopted liberalization and globalization. The Economy was witnessing a shift in focus from the traditional sectors to a rapid development of the services sector. There was a growing tendency to outsource services and activities even in the traditional sectors that was creating a steady rise in the employment potential of a new class of workers in these sectors.

Conclusion

The wide ranging and sweeping changes in the Economy, presented the Organization with a fresh set of mandates to address the social security needs of the new class of employees that had emerged as well as the set of employees who were in the covered unorganized sector like migrant labourers, brick kiln workers, building industry workers, home workers in the Bidi industry that had hitherto stayed outside the fold of the social security net. The need of the hour was to devise policies to reach out to this set of people and instill and foster confidence in them in Organization's capability to handle moneys for them in a safe and secure manner for the welfare of the workers and their families. This could be achieved only by raising the service delivery quality and the options for the target population. The existing work processes of the Organization were originally designed for the organized sector of the Economy that was under the ambit of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 had reached a point its trajectory where they were found to be woefully inadequate to address the emerging needs and had admittedly outlived its purpose. These processes, obsolete and