

Insurance Act 1991, Comprehensive Crop Insurance Schemes are fielded by the GIC.

8.237 **Shiksha Sahyog Yojana** is for the children of parents living below the poverty line. A sum of Rs.100/- p.m. is paid to such children who are studying in the 9th to the 12th standard. This is available to subscribers of Janshree Bima Yojna.

8.238 **Khetihar Mazdoor Bima Yojna, May 2001** is an insurance scheme for the benefit of agricultural workers. This has to be implemented from July 1, 2001 in clusters of 5 to 6 villages. Fifty districts have been chosen for the purpose. Lump sum payments are to be made for various purposes. Project societies are to be set up for implementation of the Yojana.

8.239 In his Budget speech 2001-02, the Union Finance Minister asked the Insurance Regulatory Development Authority to prepare a road map for pension reform for workers in the Unorganised Sector. The Integrated Rural Development Agency (IRDA) has been asked to work out a scheme to provide insurance cover for a minimum of

Rs.40,000/- and monthly subsistence pension to these workers. The workers opting for the scheme are required to pay a premium ranging from Rs.10/- to Rs.25/- p.m. The Government has also announced a national scheme for agricultural workers, namely, Khetihar Bima Yojna. All these schemes are subsidised insurance schemes, and the premium is shared between the Government and the beneficiary, or the nodal agency sponsoring the beneficiary. In the case of Janashree Bima Yojana the premium is Rs.200 per member of which, 50% is paid by the insured person or the nodal agency, and the balance is met out of the Social Security Fund with the LIC. Assuming that one million persons are covered under the Scheme the cost to the Government will be Rs.10 crores per annum.

8.240 In the case of the agricultural workers insurance Scheme, the worker has to pay a premium of Rs. 365 per annum, Re. 1 per day, the Government will pay Rs.730 per worker per annum. The total estimated cost of the Scheme to the Government is Rs.152.39 crores.

8.241 There are thus two different schemes. Yet another scheme is contemplated for target groups that belong to the same class. Our Study Group was not able to appreciate the reasons for the differences in the nature and quantum of benefits provided; the rates of premiums charged and the rates of subsidy involved among these schemes. It is, needless to say, that unless it can be demonstrated that the differences are based on a reasonable classification, they may be construed as discriminatory. Moreover, most of these schemes are yet to be implemented in their full form. The Jan Shree Bima Yojna had only 450,000 policies during the period of one year, a number which is too meagre considering the size of the Unorganised Sector. Contributory insurance schemes were generally not popular due to the high rate of the premium. There is another point of view which says that people are prepared to pay contributions if they are convinced that it will be to their advantage to do so.

INSURANCE

8.242 The Study Group has therefore, suggested that the

Insurance Companies be required to develop two or more plans providing coverage for the major risks faced by people, namely health, life, widowhood, accident, loss of assets, etc., with a uniform rate of subsidy, leaving it to individuals to choose from among them according to their capacity.

8.243 We feel that since the LIC and the GIC are commercial organisations, they have not been able to give adequate attention to Social Security schemes that are rated unprofitable. The Malhotra Committee has suggested that the subsidised insurance schemes being run by the LIC and GIC should be entrusted to a separate exclusive organisation to which the insurance industry, both public and private, could be asked to contribute.

8.244 The Insurance Regulatory and Development Authority (IRDA) has, exercising the powers vested in it under the amended Insurance Act, through the regulations that it has issued, decreed that every insurance organisation licensed by it to do insurance business, life or general, must provide social insurance cover to a prescribed number of persons

belonging to the weaker sections in the unorganised sector every year. This provision is likely to lead to a variety of schemes providing dissimilar benefits to the weaker sections. Our Study Group, therefore, has suggested that a separate organisation be set up to administer these schemes, and the insurance companies licensed by the IRDA be asked to make appropriate contributions to this organisation, instead of trying to fulfil the obligations laid down in the regulations directly.

8.245 We find that the Economic Survey 2000 says that the Government has decided to set up an exclusive organisation for implementing the National Agricultural Insurance Scheme. The Study Group suggests that this organisation, or another similar organisation may be entrusted with the administration of all subsidised insurance schemes.

8.246 In the course of its meeting with the representatives of Insurance Companies, the Study Group was informed that the amount available in the Social Security Fund with the LIC, may not be adequate to meet the cost of subsidy if large numbers of

persons were to avail of it. A suggestion was therefore, made that it should be augmented by earmarking a part of the service tax being levied on insurance business. The Study Group has welcomed the idea, and commended it for the consideration of the government.

AREA BASED SCHEMES

8.247 A reasonable alternative to the various occupation-based schemes that we have today, would be to design a scheme on an area basis, 'which would move away from the vertically organised employment spheres towards a person centred approach with the aim of covering all workers within a compact geographical area.' According to the ILO, the area-based scheme envisages open membership to all adult workers in a defined geographical area, irrespective of the nature and the duration of employment or the place of work. Generally, when the coverage is on the family unit basis, women workers are left out. Area-based schemes have a special focus for inclusion of eligible women. The coverage may be in the individual capacities of the workers, and not on the basis of

family units where women workers are usually left out. In fact, a special focus is intended to be built for the inclusion of eligible women.

8.248 The basic benefits may include (a) insurance against death or disability, (b) health insurance and (c) old age benefits.

8.249 The coverage under death and disability (a) may be comprehensive, the sum assured for life being uniform irrespective of the cause of death since it is unrelated to the needs of the surviving family. In the case of disability, the compensatory payments may be made periodically, this being a higher form of security, rather than in a lump sum as provided under the Workmen's Compensation Act.

8.250 There are indications that workers from the unorganised sector prefer contributing to outpatient costs (including maternity and childcare) rather than to an insurance against hospitalisation costs.

8.251 Under the old age benefits mentioned in (c), a pension based on a savings-linked scheme may be proposed, perhaps with additional amounts for those who do not avail of

(a) or (b) on the lines of a no claim bonus.

8.252 The funding of the scheme under the pilot project is envisaged to be from contributions from members and from other sources. Contributions would have to be mandatory for obtaining benefits, but may be prescribed as flat rates (avoiding any linkage with wages as in the case of organised sector schemes).

8.253 The project is conceived as a state level one, the overall responsibility for its formulation and administration resting with the state governments.

8.254 The proposal concerning area-based schemes appears to be eminently suitable for application to the workers in the unorganised sector who are too numerous to be covered under occupation-based schemes. We suggest that it may be tried out on experimental basis in some States before extending it to other States.

SELF HELP GROUPS

8.255 One of the surest ways of

providing employment to workers in the unorganised sector is by promoting small business for purposes of self-employment. Many voluntary organisations help self-employment by providing credit, training and marketing facilities etc.

8.256 Micro credit involves the grant of very small loans with a view to helping the poor to start their own ventures. It has also been recognised as one of the effective means of poverty eradication, promotion of self-sufficiency and stimulation of economic activity in some of the world's most destitute and disadvantaged communities.

8.257 At a conference held in Mexico in 1975, the International Year of the Woman, Ms. Ela Bhatt mooted the idea of credit financing as a means for uplifting women. She pointed out that the doors leading to institutionalised money were closed to poor, illiterate women and if these were opened, it could make a big difference. It led, eventually, to the formation of the Women's World Bank (WWB), an organisation dedicated to improving women's access to finance, with its headquarters in New York and affiliates in 40 other countries. The

Indian affiliate of this Bank is Friends of WWB (India). This institution helps women help themselves. Over the years, it has helped organise a large number of savings and credit groups among rural women across the country. These groups encourage their members to save money and to put it into a common fund. These savings are used for giving loans to those who are in need, at varying rates of interest. The profits are retained in the fund. In effect these are mini banks. But, for rural women who are their members, they offer an alternative to the usurious moneylender.

8.258 The Government of India has set up a fund called the Rashtriya Mahila Kosh (RMK) for providing credit to poor and needy women in the informal sector mainly for productive purposes. Assistance from this fund is routed through NGOs. It has been reported that uptill 31st January 1999 the RMK had sanctioned credit limits upto Rs.57.09 crores through 367 NGOs to benefit 2,77,662 women. In addition, the RMK has also supported the formation of women's thrift and credit societies popularly known as Self Help Groups (SHGs)

through its partner NGOs.

8.259 The credit needs of rural people are determined in the complex socio-economic milieu, where it becomes difficult to adopt the project lending approach followed by banks, since the dividing line between credit for consumption and that for productive purposes gets blurred. In this situation, a non-formal agency providing credit facilities to the poor in the form of Self Help Groups emerged as a promising partner of the formal agencies. The democratic functioning of the SHGs, their skill in assessing and appraising the credit needs of members, their business-like approach and efficiency in recycling the funds with a high rate of recovery, are welcome features which banks can utilise in meeting the credit needs of the poor.

8.260 The Government of India as well as some of the State governments are therefore, encouraging the formation of SHGs.

8.261 In his budget speech for 2001-02, the Finance Minister said: "NABARD and SIDBI were asked to link one lakh Self Help Groups during the current year. NABARD by itself is

well poised to exceed this target by the end of next month. I expect NABARD to link 1 lakh additional Self Help Groups during 2001-02, which would help in providing access to credit to an additional 20 lakh families. Sharecroppers and tenant farmers will also become eligible for this scheme and special attention will be given to SC/ST groups. A micro finance development fund has also been set up in NABARD with contribution of Rs.40 crore each by NABARD and RBI."

8.262 The Government has introduced a novel credit card scheme for farmers, kisans. The Union Finance Minister in his budget speech for 2001-02 claimed that the innovative KISAN CREDIT CARDS (KCCs) had proved to be very successful. Since the year of its introduction in 1998-99, almost 110 lakhs of KCCs had been issued. He said that he was 'asking our banks to accelerate this programme and cover all eligible agricultural farmers within the next 3 years.' The Union Finance Minister also said that he was 'asking the banks to provide a personal insurance package to the KCC holders, as is often done with other credit cards, to cover them against

accidental death or permanent disability, up to maximum amount of Rs.50,000 and Rs.25,000 respectively. The premium burden will be shared by the card issuing institutions.'

8.263 In recent years, Micro Insurance Schemes have been initiated in the four corners of the world as a complementary financing method for existing formal social protection services provided by the State¹⁵.

8.264 Insurance refers to systems in which individuals themselves make contributions (that is, pay premium) into a risk-pooling group, in the expectation of future benefits to cover stipulated risks, like illness, maternity, asset loss, or death. The term micro insurance has been coined in recent years, to refer either to insurance schemes targeted at the poor without state management or, more specifically, to insurance products offered by micro finance institutions¹⁶. Micro Insurance is also called Self-

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¹⁵ A compendium of Micro Insurance Schemes by Shookpul Lee; ILO/STEP – WIEGO Workshop on Social protection for women in the Informal Economy; ILO. Geneva, 1999

¹⁶ Social Protection for Women in the Informal Economy ILO-STEP and WIEGO, 1999

Financed Social Insurance.

8.265 We feel that the current trend towards poverty eradication through social mobilisation, i.e., organising the unorganised workers, needs to be encouraged and expanded.

8.266 Unorganised workers may be mobilised and organised to form –

- a) Self help groups: these may focus on savings and credit, and/or producing goods like handicrafts, salt, minor forest produce processing agricultural produce etc.
- b) Local workers economic organisations: these are organisations at taluk level or preferably district level associations and federation of self help groups.
- c) District level cooperatives producing goods and services; e.g. milk cooperatives land and agro-forestry based cooperatives, childcare and midwives cooperatives, etc.
- d) Village based mahila mandals or yuvak mandals or kisan sanghs.

8.267 Once organised into small, medium or large workers organisations they could be actively involved in:

- (a) Provision of credit
- (b) Micro insurance by linking with savings and credit supplying groups or organisations and
- (c) Social security services through the area based approach.

8.268 These local decentralised organisations would be involved in district level goal-setting for social security, the implementation of all social security programmes (both work based and area based) and in the monitoring of these programmes.

8.269 In this way, suitable mechanisms can be developed to reach much needed social security to geographically scattered unorganised sector workers. Provision of services will then, encourage the invisible unorganised workers to organise and build their own organisations.

NATIONAL SOCIAL ASSISTANCE PROGRAMMES

8.270 The National Social Assistance

Programmes (NSAP) was started in 1995 to fulfil the aims of the Directive Principles of State Policy. This aims at ensuring a minimum national standard of social assistance. Under this Programme, different States are providing help in terms of monthly pensions to various categories of destitutes who are without subsistence or family support which include the aged, widows and disabled. The NSAP consists of 3 component schemes, namely, National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (Survivor Benefit) (NFBS) and National Maternity Benefit Scheme (NMBS). The Scheme is a centrally sponsored programmes with 100% Central assistance to States and UTs. The Programme links the social assistance package to schemes for poverty alleviation and the provisions of basic needs. The Programme is implemented by the Panchyats and Municipalities. Under NOAPS a pension of Rs.75 per month per person is provided. Rs.10,000 in case of death are provided under NFBS. A sum of Rs.500 is given under NMBS for each pregnancy, upto the first two live births. The age of eligibility for old age pension is 65 years or more. In Gujarat additional

amounts per child are payable to widows for the care of two children. The widow pension is admissible for one year. During this time, widows are expected to take up skill training for self-employment. In Andhra Pradesh and in Gujarat, landless workers above the age of 60 years are given monthly pensions. However, the number of beneficiaries is restricted by the availability of allocation in the budget of the State. Several States supplement the amount provided by the Central Government as old age pension from their own budgets.

8.271 The NSAP has undoubtedly served the long felt need for uniform national minimum standards for providing social assistance to the weaker sections of society. But the programme provides only a few benefits, namely, old age pension, maternity benefit and family benefit. It is, however, envisaged that more benefits may be added in due course of time. There is an obvious need for expansion of the Programmes.

8.272 Article 41 of the Constitution requires the State to make effective provisions, inter alia, for 'public assistance in cases of unemployment, old age, sickness and disablement and

in other cases of undeserved want.' It is said that the NSAP introduces a national policy for such public assistance. However, it falls short of the expectations of this Article since it does not provide for assistance in case of unemployment, sickness, disablement and other cases of undeserved want. The programme needs to be expanded for fulfilling the Directive Principles enshrined in Article 41.

8.273 The need to provide some form of public assistance to meet the distressing consequences of unemployment has become more urgent after globalisation. Policies of downsizing and liberalisation of laws to facilitate easy lay-offs, retrenchment and retirement schemes through the VRS, the Golden Hand Shake and the like, have created a situation in which large numbers of workers have lost their employment. In some cases, the termination takes place almost instantly, or with nominal notice, instantly altering the employed status of the worker, and throwing him or her and the family into uncertainty and want, or penury. Large-scale terminations of this kind not only cause acute distress to large sections of the population, but also

create threats to law and order, the order on which industry and investment depends. They may even work as a time bomb that may explode and affect the very framework of the order and social acceptance on which the economy or industry prospers. The only way to mitigate such stress or insure against such exposures, will be to provide at least a modicum of support that will enable the victim to face the rigours of unemployment during the period of transition. This may be termed as unemployment insurance or a safety net. The Human Development Report of 1993 therefore, talks of the need to design an effective safety net 'to catch the victims of competitive struggling such as the temporarily unemployed and to protect the lowest income group, the young, the old and the disabled.'

8.274 Hence, we feel that the need to fulfil the directive of Article 41 was never more urgent than today.

8.275 Apart from the NSAP there are several schemes under which social assistance is being provided. These include:

(a) The PDS including Annapurna

and Antyodaya Anna Yojana Schemes.

- (b) Schemes under which supplementary nutrition is provided to women and children including ICDS and the Midday Meal Schemes.
- (c) Housing schemes for economically weaker sections, including schemes for old age homes, orphanages, and homes for deserted women, beggars, etc.
- (d) Schemes under which assistance is provided for self-employment.
- (e) Schemes under which cash assistance is given to the unemployed.
- (f) Schemes under which old age, disability and death benefits are provided under subsidised insurance schemes.

8.276 The Commission is of the opinion that all such programmes should be integrated to maximise coverage, avoid overlapping, and ensure a basic minimum to all. The integrated NSAP should be placed on a statutory footing so that the Government bears the responsibility

for its implementation.

PENSION SCHEMES

8.277 There are a number of pension schemes in our country.

- a) Old age pension: The current rate of pension, under the NOAPS, which is Rs.75 per month, is not sufficient. To maintain the real value of the pension, it should be revised and linked to the C.P.I. The income criteria for the eligibility of the pension should be reviewed and revised on a uniform basis. All old persons having incomes less than Rs.8000 per annum at the current level of prices should be entitled to old age pensions. Since the old age pension is a national scheme, there is no justification to exclude any person from the benefit on the ground of domicile. When the benefits are subject to a means test, financial ceilings become unnecessary. Since the population of the elderly has been rising, the budget provision for this scheme also needs to be increased, corresponding to the increase in the population of the elderly. Local authorities should make the selection of beneficiaries.
- b) Widow's Pension: The Gujarat Scheme of Widow Pension should be adopted as a national scheme. It needs the following modifications:
 - Widows may be entitled to old age pension at the age of 60 and above.
 - Widows between the age of 18 and 60 may be paid pension for a limited period of two years during which period they may be given training to enable them to take up employment.
 - During this period they may also be paid a supplementary pension of Rs.80 per child for the maintenance of two children.
 - At the end of the training they may be paid an equipment grant of Rs.5000.
- c) Pension for Physically Handicapped: The degree of disability should be the criterion for pension to the physically handicapped. The Commission suggests that a national scheme may be drawn up for the

- payment of a pension to all physically disabled persons who are, ab initio, incapable of doing any work and earning their livelihood or who have lost their earning capacity by more than 70% due to accident or disease. The rate of pension should be the same as suggested for the elderly. The lack or loss of earning capacity may be assessed by the same procedure as is prescribed for workmen's compensation under the Workmen's compensation Act or disability benefit under the ESI Act.
- d) Other Pension Schemes: Some States have special pension schemes for journalists, artists, agricultural workers, cine workers and others. All such schemes may be integrated into a National Pension Scheme with standardised components comprising of an old age pension, invalidity pension or disability pension and a family pension including a widow's pension, and a children's allowance.
- e) National Pension Scheme: If the recommendations concerning the integration of all pension schemes are accepted, we would suggest that the National Old age Pension Scheme be renamed as the National Pension Scheme. This Scheme may provide for payment of pension at a uniform rate of Rs.200 per person linked to the cost of living index as follows:
- i) All men and women of and above the age of 65 years and all widows of, and above the age of 60 and all disabled persons with loss of 70% earning capacity above the age of 18 (on the assumption that up to the age of 18 they will be looked after by their parents/guardians), subject to an income test related to the poverty line
 - ii) All widows between the ages 18 and 60 for a period of two years, during which time they are given training to enable them to earn their livelihood; financial assistance for maintenance of minor children and an equipment grant of Rs.5000 each.
 - iii) Other indigent persons who cannot earn their livelihood as may be identified by the

Government/s.

8.278 The Goa Employment (Conditions of Service) and Retirement Benefit Act, 2001 has been enacted to provide certain retirement benefits to the workers in the unorganised sector. The proposal is to create a fund for this purpose, and employers have to contribute a certain percentage of their salary or wage to this fund. The Employee may change from one employment to another but he will be provided with an identity card with a code number. This will also ensure benefits to those workers who are not able to complete 240 days work in a year.

MATERNITY BENEFITS

8.279 In a memorandum submitted to the Commission, the Forum for Crèche and Child Care Services (FORCES), has suggested that:

- (a) The Government of India should ratify the ILO Convention No.183 and Recommendation No.191 concerning Maternity Protection.
- (b) A six months leave period should be provided to enable exclusive breast-feeding in view of the WHO recommendation on

the subject.

- (c) The concept of maternity entitlement should be enlarged to include childcare and the two should be given the same status in law and policy. The health and well being of mother and the infant require cash support as well as crèches and childcare services on work sites and labour camps etc., for the protection and survival of infants while women work.

8.280 The Commission agrees with the suggestion that the quantum of benefits should be raised. According to ILO Conventions, the rate of maternity benefits should not be less than 75% of the wages last drawn. Assuming the woman qualifying for maternity benefit under the National Maternity Benefit Scheme is employed on minimum wages, for which the Central Government has fixed a floor level of Rs.45, the maternity benefits should not be less than Rs.30 per day or Rs.900 per month. The period for which maternity benefit is normally paid is 12 weeks or three months. The total amount of maternity benefit will, thus, come to Rs.2700. To this, may be added an additional

provision of Rs.300 for supplementary nutrition etc. Thus, the total amount of cash benefit to be paid will come to Rs. 3000 per childbirth. The Commission recommends that the quantum of benefits may be raised to a minimum of Rs. 2000/-.

8.281 The Commission endorses the suggestion that crèches must be provided to enable all working women to leave their children under proper care in a safe environment removing the burden from the shoulders of their siblings. We have made more specific recommendations on this issue in the chapter on women and child labour.

FOOD SECURITY

8.282 Food Security is one of the major components of social security. It consists of ensuring that 'food is available at all times, that all persons have means of and access to it, that it is nutritionally adequate in terms of quantity, quality and variety, and that it is acceptable within the given culture' There are three elements in this definition, availability, access and suitability. In recent years, nutrition has been considered as part of food security, and is therefore, referred to as 'Food and Nutrition Security.'

8.283 There is enough food available in the world. Even in developing countries, the per capita food production has increased by 8% on an average in the 1980s. Everybody can get 2500 calories from the available food which is 200 calorie more than the basic minimum. What is required is a well-organised public distribution system. Efforts have been made to streamline the PDS through the introduction of the Targeted Public Distribution System in June 1997. This system follows a two tier subsidised pricing structure for families Below Poverty Line (BPL) and for those Above Poverty Line. BPL population receive rice and wheat at a much lower price (hence highly subsidised) whereas APL population is supplied at a price which is much higher and closer to the economic cost. The identification of the poor under the scheme is done by the States.

8.284 A National Sample Survey has pointed out that about 5% of the total population in the country sleeps without two squares meals a day. Antyodaya Anna Yojna launched in December 2000 aims at identifying 10 million poor families and providing them with 25 kgs of foodgrains per family per month, at a price of Rs.2

per Kg. for wheat and for Rs.3 Kg. for rice, amounting to an annual allocation of foodgrains of about 30 lakhs tonnes. Similarly, the Anna Purna Scheme (2000) is for senior citizens eligible for old age pension but not receiving the pension, and whose children are not residing with them. Under this scheme 10Kg. of foodgrains is provided per person, per month, free of cost. The estimated cost of this scheme is Rs.330 crores per annum.

8.285 The overall subsidy on foodgrains has been rising from year to year. It was Rs.4960 crores in 1995-96 and became Rs.12075 crores in 1999-2000. But it has been found that 'PDS has failed in large parts of the country, and that it needs to be re-structured to be an effective tool of food security' .

8.286 The off-take from the PDS appears to be poor especially in some States like Bihar. It could be due to the fact that the economic cost has been going up, the prices at which foodgrains are supplied to people below the poverty line are also going up, and have become unaffordable to the poor in the category. It could also be due to the poor quality of the

foodgrains supplied through the PDS. Besides, the quantities supplied at subsidised prices are not adequate for the sustenance of the whole family, and people have to supplement them by purchase from the open market. Thus, the implementation of the PDS does not seem to be serving the purpose of making foodgrains available to people at affordable prices. The Commission agrees with the Study Group that the food security policy calls for a review and rationalisation.

8.287 We are of the view that the Central Government should devise a scheme similar to the targeted PDS for foodgrains, to supply cloth free to destitutes, at subsidised prices to the people below the poverty line. The Study Group has also suggested that the Janata Cloth scheme may be revived. The Commission endorses both these recommendation of the Study Group.

SHELTER

8.288 Shelter is one of the basic needs of the people. Indira Awas Yojna is the most important rural housing scheme which is subsidised. Houses are constructed by the

Government and given free of cost to people who are below the poverty line. The Scheme for Economically Weaker Sections is designed to provide housing assistance to the urban poor. This is a loan scheme with no element of subsidy. It is difficult to appreciate the discrimination between rural and urban poor on the one hand, and between members of different occupational groups on the other in the matter of housing subsidy. The Study group has suggested that a uniform policy be adopted in providing subsidy for housing.

ECONOMIC SECURITY & NATIONAL EMPLOYMENT ASSURANCE SCHEME

8.289 Economic Security is one of the main components of human security. It constitutes the crux of social security in the conventional sense. Economic security requires employment and an assured source of a basic income adequate for meeting one's basic needs. As emphasised in our development Plans.

8.290 "A primary objective of state policy should be to generate greater productive work opportunities in the growth process itself, by concentrating

on sectors, sub-sectors and technologies which are more labour-oriented, in regions characterised by higher rates of unemployment and underemployment.

"Recognising the high incidence of underemployment and increasing casualisation of labour, there is need to enhance employment opportunities for the poor, particularly for those who are in seasonal occupation. In this context, the effort to implement a National Employment Assurance Scheme is of considerable significance."

8.291 In pursuance of this policy, the Government has been implementing a number of national wage and self employment schemes in the rural and urban areas, which are at present designated as Swarnajayanti Gram Swarozgar Yojana, Jawahar Gram Samridhhi Yojana, The Employment Assurance Scheme, Prime Minister's Rozgar Yojna and Swarnajayanti Shahri Rozgar Yojna. In spite of all these programmes, the employment situation seems to have worsened in recent years. Some features of the emerging situation are:

- a) The structural adjustment programme, which has encouraged multinational companies using sophisticated technology to enter the country freely, has been displacing people engaged in traditional sectors. The recent reports of a large number of suicides by weavers in Andhra Pradesh, Tamil Nadu, and perhaps elsewhere, also bear witness to this phenomenon.
- b) The rate of growth in rural non-farm employment has slowed down,
- c) There is a growing casualisation of labour, especially among the educated workforce,
- d) The share of the organised sector in total employment levels in urban areas has been either declining or is, at best, stagnant, particularly among females,
- e) Rural real wages are declining.

8.292 It is evident that the existing employment schemes have not been able to cope with these problems and the conditions of the unemployed and

the underemployed people are deteriorating. There can, however, be no doubt that special employment programmes have a crucial role to play in providing short-term employment and preventing starvation. The Maharashtra Employment Guarantee Scheme is a prime example of such programmes. The Scheme aims at providing employment to the unemployed, and providing an unemployment allowance to those who cannot get employed. There are already several programmes designed to provide employment to the unemployed, and the Government is already committed to incur the bulk of the expenditure involved in such schemes. The only additional feature of the guarantee scheme is to pay an unemployment allowance when the State is not able to provide jobs. Assuming that such an allowance will have to be paid only to unemployed persons who are below the poverty line, the burden of such an allowance may not exceed Rs.420 crores as pointed out in the section on Unemployment Relief. Our Study Group, therefore, argued that this is the kind of safety net that the country needs in these days of globalisation. It appears that this was also the view

of the Planning Commission when they said that 'the effort to implement a National Employment Assurance Scheme is of considerable importance.' The Study Group is also of the opinion that such a scheme would not be unfeasible, and should be given a fair trial. We agree with these views.

8.293 An attendant problem concerning wage employment relates to the quantum of wages. A recent study has revealed that in many States the rates of minimum wages fixed are very low, and do not take into consideration the minimum amount required for the subsistence of an average worker's family. The methodology adopted for fixing the rates of minimum wages vary, and do not conform to any scientific basis. The wages actually paid are much lower than even the notified wages. The Supreme Court has laid down certain guidelines for fixing minimum wages at a subsistence plus level. The Study group felt that these norms should be enforced, and the level of minimum wages should be raised and more effective measures should be taken to ensure that no one pays wages below the minimum wages as that will constitute forced labour. While promoting wage employment,

the States should adopt and enforce a rational minimum wage policy (this issue has been discussed in greater detail in the section on wage policy).

8.294 We feel that it is the responsibility of the State to provide a basic level of subsistence by an appropriate social security measure to those who have no employment and no source of income. The Central Government should consider introducing a National Scheme of Unemployment Relief to the unemployed persons subject to a means test. As stated earlier, there have been suicides in several States due to unemployment. In February 1998, the National Human Rights Commission (NHRC) is reported to have taken cognisance of such deaths and made a series of interim recommendations to be implemented by the Central and State Governments within a period of two years. These included old age pension, disability pensions, employment generation, ecological security, soil conservation etc. The NHRC issued specific directions to the Central Government to release funds for an emergency programme of providing one meal a day to the starving people until its final

recommendations were made. The Supreme Court directed the Governments to comply with the directions of the NHRC.

8.295 Assuming that the total number of unemployed is 7 million, and 25% of them belong to families below the poverty line about 1.75 million people will require such relief. The estimated cost for such a scheme will therefore, be approximately Rs.420 crores if one bases oneself on the provision of a monthly allowance of Rs.200 per person.

8.296 Land is critical for rural people, and three-quarters of the poor depend on agriculture for their livelihood. About a quarter of the rural labour in developing countries are landless or do not have adequate security of tenure or title. And even those who have land, often have holdings too small or unproductive to provide a secure livelihood. Institutions and policy reforms are needed to give better access and secure rights to all the critical assets that are unevenly distributed.

8.297 The National Commission on Rural Labour has stated that there is

an immediate need to strengthen the land base of the rural poor for raising their incomes as well as for improving their status and strengthening their bargaining power. The measures they have suggested include tenancy reforms, distribution of land, development of common property resources, access of land to women, updating land records and vigorous implementation of agrarian reform laws. Land reforms have, therefore, been regarded as an important means of social protection. Providing the poor with access to assets is a basic form of social security. In an agricultural economy, land is the primary asset from a subsistence point of view.

8.298 Generating greater access to land for the landless rural poor is considered an important component of the effort aimed at poverty alleviation. It is therefore, necessary to ensure better implementation of the programmes. However, we realise that land reforms is a State Subject, and the Central Government can only advise and monitor the progress. But we feel that the Central Government also has a duty to expedite progress in this direction.

HEALTH SECURITY

8.299 Health security is one of the major components of human development. Good health is not only an end product of development but also a necessary condition for economic development. Improved health contributes to economic growth by reducing production losses due to illness of workers. There is a significant relation between income growth and health.

8.300 Health care is one of the functions of the State. According to the Directive Principles of State Policy laid down in the Constitution, 'raising the level of nutrition, and the standard of living and the improvement of public health are among the primary duties of the State.' Improvement in the health status of the population has been one of the major thrust areas for the social development programmes of the country.

8.301 The World Health Assembly held in 1977 adopted a resolution which said that the main social target in the coming decades should be the attainment by every citizen of the world of a level of health that will permit him to lead a socially and

economically productive life. The Assembly had set the year 2000 as the target date for achieving the objective. Subsequently, the Conference on Primary Health Care held at Alma Ata declared that primary health care is the key to attaining this target as part of development, and in the spirit of social justice. Since then, many countries have adopted primary health care as the strategy for social security. India has also adopted primary health care as the main instrument for achieving the goal of 'health for all.' A vast network of institutions at primary, secondary and tertiary levels have been established for this purpose. The provision of primary health care services constitutes one of the seven Basic Minimum Services included in the national agenda.

8.302 The primary health care infrastructure is intended to provide integrated promotive, curative and rehabilitative services to the population close to their residence. It is estimated that over 80% of the health care needs of the population can be met by the primary health care infrastructure; only the rest may require referral to the secondary or

tertiary health care institutions.

8.303 Nearly 30% of India's population live in urban areas. Due to the massive inflow of population to the towns and cities, the health status of urban slum dwellers is, at times, worse than that of the rural population. There has been a dearth of well planned and organised effort to provide primary health care services to the urban population within 2-3 kms of their residence and to link primary, secondary and tertiary care institutions in geographically defined areas. While an elaborate network of health services based on population norms has been established in the rural areas through group centres, primary health centres and community health centres, the services provided in these centres have, however, not been satisfactory.

8.304 The Planning Commission itself has admitted that the Primary Health Care System is facing the following problems:

- a) Persistent gaps in manpower and infrastructure especially at the primary health care level.
- b) Sub-optimal functioning of the infrastructure; poor referral

services.

- c) Plethora of hospitals not having appropriate manpower, diagnostic and therapeutic services and drugs in Government, voluntary and private sector.
- d) Massive inter-state/inter-district differences in performance, as assessed by health and demographic indices; availability and utilisation of services are poorest in the most needy states/districts.
- e) Sub-optimal inter-sectoral coordination.
- f) Increasing dual disease burden of communicable and non-communicable diseases because of ongoing transitions in demographic composition, lifestyle and environmental conditions.
- g) Technological advances which widen the spectrum of possible interventions.
- h) Increasing awareness and expectations of the population regarding health care services.
- i) Escalating costs of health care, ever widening gaps between

what is possible and what the individual or the country can afford.

8.305 In spite of these deficiencies, primary health care is regarded as the most appropriate strategy for attaining the goal of health for all, within a reasonable time frame.

8.306 As we have pointed out earlier, health care is also an important component of social security. Indeed medical care is widely regarded as the primary branch of social security since health is of concern to all age groups and all categories of employees. All comprehensive social security programmes, therefore, make provision for medical care. The ILO Convention No. 130 and Recommendation No. 69 contain guidelines for the provision of medical care under social security.

8.307 In this connection the following question arises: When the State is committed to a policy of health for all,

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¹⁷Final Report of the Second Regional Consultation on Strategies for the Development of Social Security Health Programmes (medellin, Columbia, 1985); Primary health care and Health Strategies in Latin American Social Security 1986, ILO in collaboration with the Pan American Health Organisation and the Permanent Inter American Committee on Social Security, p.256

and has built up, or is building up a huge health infrastructure to achieve that objective, is it necessary or desirable to set up a parallel system of health care under social security? If not, what is the role of social security in the field of health care? .

8.308 Mr. Carlyle de Macedo,¹⁷ the head of the Pan American Health Organisation, recognised that social security and public health had historically developed independently. This had led to the existence of different operational practices and models, centres of interest and pressure groups. To overcome the obstacles that might be created by vested interests, a consensus should be achieved on two fundamental principles applicable to health policy; the principle of equity and that of efficiency.

8.309 The need for equity is based on the fact that health could not be considered exclusively as an individual phenomenon, but has to be treated as a social problem.

8.310 As regards the principle of efficiency, Mr.Macedo recalled that everybody was aware of the alarming inadequacy of resources in the health field in the face of growing unsatisfied

needs. But many forgot that at the same time, there was enormous waste in the use of the resources that were available.

8.311 These observations are as relevant in the Indian context as elsewhere. It should be obvious that if a separate system of health care were to be established for providing medical care to the unorganised sector, which covers practically the whole population except for the small number of persons in the organised sector, it will be more or less parallel to the existing system of public medical service and will amount to complete duplication. There is hardly any justification for it. Considering, however, that the public medical service has not been satisfactory, it is equally obvious that there cannot be a total reliance on that system. It has to be supplemented by other measures. This is the rationale for a variety of health insurance schemes that have come up, or are coming up. The ESI Scheme, the CGHS and the Mediclaim policies of the GIC are the most well known among the health insurance schemes.

8.312 It is evident that there is

need as well as scope for extension of health insurance both for raising additional finances necessary to increase access to medical services and for enhancing quality. The need is for optimal utilisation of private and public resources and facilities. Although the 1983 National Health Policy reform encouraged health insurance services, there has been only a limited extension of such insurance through GIC-sponsored schemes since that time.

8.313 The available evidence is not clear on the health insurance priorities for workers in the unorganised sector. Hsiao and Sen (1995) claim that most of them are more interested in ensuring the provision of primary, and some secondary health services, than to insure themselves against much less frequently occurring hospitalisation costs.

8.314 If workers prefer to contribute to primary and some secondary health services, one could use the new concept of managing and

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¹⁸ Community Health Centre: the basic infrastructure of primary health care for rural areas was evolved during the sixth plan to consist of sub centres, primary health centre and Community health Centres (CHCs)

financing of health care, particularly in rural areas, as recently developed and proposed by Hsiao and Sen (1995). Under this (CHC)¹⁸ scheme, the provision and financing of health care will be undertaken by communities characterised by strong social bonds and mutual trust. The CHC would provide preventive services, immunisation, health promotion, family planning, maternal and childcare, and outpatient services to all its members, including drugs, for which a co-payment (part-payment) would be levied. Each community of about 1,000 people would have a health post serviced by one health worker paid by CHC, and a stock of generic drugs specified in the WHO essential drug list. The CHC would also establish a primary health centre for a population of about 15,000 people, staffed by a doctor, a mid-wife, a clinical nurse, a primary care practitioner, a pharmacist, and an assistant. These centres would refer patients to the regional centres for tertiary care, possibly on the basis of a packaged fee or a capitation payment. Patients have the choice of obtaining free

health services at the health posts and primary health centres or from private practitioners. When the service is obtained from a private practitioner, the CHC will only reimburse the patient 50% of its costs. This new organisation would mean a significant improvement over services currently provided by the government, which finances one sub-centre for a minimum of only 5,000 people and one primary health centre for 30,000 people.' If the preference of workers is for insurance to counter the cost of hospitalisation, then it may be advisable to follow the model developed by SEWA. It appears from their experience that the extension of worthwhile health coverage should be possible at affordable premium levels In SEWA'S reckoning a satisfaction level of 50% could be achieved towards reimbursement of a member's health expenses against a small annual premium of Rs.15." ¹⁹

8.316 On the basis of these considerations and recommendations, our Study Group has come to the conclusion that while basic health security has to be provided by the primary health care infrastructure, it

¹⁹ Social Protection for the Unorganised Sector, ILO – ILO/India/R36 p.25

may be supplemented by one or more of the various options indicated above. Considering the size and diversity of the population in India no one model would be adequate. **It** may be necessary to have a combination of schemes. As most of these schemes will be voluntary, development of such schemes may be left to the initiative of the people to form groups and to organise them according to their felt needs. The Study Group, however, felt that the health insurance scheme of the ESI has an important role to play in supplementing the public medical service. It is, therefore, necessary to take all possible measures to improve its working and its expansion. The Commission endorses the views of the Study Group.

8.317 Nutrition Support is one of the Basic Minimum Services included in the National Agenda. There are two major programmes which provide food supplements to the vulnerable segments of the population; these are the Supplementary Nutrition Programme and the Midday Meal Programme.

8.318 Special Nutrition Programme is

one of the important components of the Integrated Child Development Services programmes. The target group receiving food supplementation is children between the age of 6 months and 6 years and pregnant and lactating mothers. The beneficiaries receive supplements through the ICDS infrastructure, which is funded by the Department of Women and Child Development.

8.319 The cost of food supplements is met by the State Governments and UTs through the State plan budgets. As of 1996, there were 4200 ICDS blocks with 5,92,571 anganwadis in the country; 426.65 lakh beneficiaries were covered. We are informed that by 2002, ICDS programmes will be put into operation in 5614 blocks with 8,04,671 anganwadis covering 579.36 lakhs of beneficiaries. Funds required for covering all these beneficiaries under the SNP in the period 1997-2002 is Rs. 6792.29 crores.

8.320 The Programme of Nutritional Support to Primary Education, popularly known as Midday Meal Scheme, was launched in 1995 as a fully funded Centrally Sponsored Scheme. Under this scheme, all

school children in the primary schools in government and Government-aided schools are to be covered. Ideally, a hot meal is provided to the children at school for 10 months in the year. The foodgrains are delivered directly at the district level by the Food Corporation of India, under instructions from the Department of Education in the Government of India. So far, the Scheme has not been universalised, but once it is, the annual expenditure would be of the order of Rs.2226 crores (in 1997-98) going up each year on account of the increase in cost. The Study Group has also heard some complaints about the working of the Midday Meal Scheme. It has suggested that these complaints be looked into and the programme made more effective. The Commission agrees with the views of the Study Group.

8.321 The population of India can be broadly divided into two groups i.e. the working population and the non-working population. The non-working population generally depends on the working population. The non-working population includes a preponderance of women, children, handicapped, etc., who constitute the vulnerable sections of

society. Society has a responsibility to protect the interests of these vulnerable sections of people.

WOMAN

8.322 Women, though they make up half the world's population, constitute the largest group which is excluded from the benefits of development. In India, the work participation rate of women is less than half that of men. The multiple roles of women and their meagre ability to access resources and available assets have been discussed in detail in the Chapter on Women and Child Labour. But it is important to emphasise that women require adequate security and protection to be self-reliant.

8.323 The Working Group on Labour Policy for the Ninth Five Year Plan has stated in its report: 'Notwithstanding laudable pronouncements in the Constitution backed by several laws of the land such as the Protection of Civil Rights Act, the Equal Remuneration Act, etc., women of all ages, and classes, and individuals in general and those belonging to the SC community in particular have for generations been subjected to

varying degrees of exploitation at home as well as at the place of work. The stratified structure of society, the sexual division of labour and control over women's sexuality, has all combined to assign women the traditional role of mother and wife, and have also made women as receivers of these roles for generations. The culture of acquiescence has led to a state of helplessness vis a vis women and is responsible for many of the aberrations which afflict society such as child marriage, unlimited family size, absence of leisure, freedom and relaxation, leading to a life of drudgery, and the denial of the basic dignity, equality and respect to which every woman is entitled. The twin problems of invisibility (of poor women in rural areas) and insensitivity (of bureaucracy at all levels) have been tellingly brought out by the National Commission on Self Employed Women and women in the informal sector.'

8.324 The National Commission investigated reasons for the disparities vis a vis Self-Employed Women, and their findings are as valid today as they were, when they submitted their report.

8.325 The following recommendations of the Commission need re-iteration: 'The Commission strongly recommends that if we are serious about substantially improving the economic status of poor women working in the informal sector of the economy, we have to devise concrete strategies which can help to enhance the ownership of and control over productive assets of these women. Perhaps it will be the single most important intervention towards both their empowerment and economic well-being. Some of the assets that women can be given are a plot of land, housing, tree pattas, joint ownership of all assets transferred by the State to the family, livestock license, bank accounts, membership of organisations and identity cards.'

8.326 Similar views were expressed at a workshop on widows held in 1994 at Bangalore where the following demands were put forward:

- a) Housing: including automatic transfer of the conjugal house to the widow's name upon the death of her husband or allotment of house site and housing by the Government.

- b) Law: including automatic transfer of land and other property to the widow's name upon the death of her husband.
- c) Jobs: including automatic transfer of the husband's job to the widow (or her son) and training plus subsidies for self-employment.
- d) Children's education: including scholarships, stipends to cover the cost of books, uniforms, transport and boarding facilities.

8.327 It would appear from the foregoing recommendations and demands that the improvement in the social and economic condition of women calls for fundamental changes in the law regarding the right to property of women generally, and widows in particular.

8.328 Among women, widows are the most vulnerable sections of the Society. There are about 33 million widows in India representing 8% of the total female population (as per the 1991 census). The proportion of widows in the female population

rises sharply with age reaching over 60% among women aged 60 and above and close to 80% among women aged 70 and above.

8.329 Several studies have pointed out that female widowhood in India tends to be associated with economic deprivation.

8.330 Martha Chen has described the plight of widows in India as follows: 'In rural India, even today, most social groups follow customary norms rather than modern statutory laws. In regard to property, there is a widespread tradition of joint patrimonial ownership under which widows are entitled to use rights (if they have no adult sons) or maintenance rights (if they have adult sons) over their husbands' share of ancestral land. Once her sons (if any) grow up, a widow may have to forfeit her use rights to her husband's land in exchange for a right to maintenance by one or more of her sons. Even maintenance rights are often uncertain.'²⁰

²⁰ Social Security for Widows in India by Martha Alter Chen (Mimeo) 1997.

²¹ See Social Assistance programmes p.37.

8.331 Yet, the amelioration of the socio-economic condition of widows in India has not been given due consideration at the level of the Central Government. Some State Governments have introduced special pension schemes for widows, but the rates of pension are low and the actual coverage is also low. The eligibility criteria are restrictive and the bureaucratic hurdles are difficult to overcome. It is doubtful whether the pension schemes, as they exist today, can be said to be an effective instrument of social security to women.

8.332 Our Study Group has, therefore, suggested the introduction of a National Widow Pension Scheme coupled with a training programme to help the younger ones to be self-sufficient.²¹

8.333 The maternity benefit and family benefit schemes have already been discussed in this chapter as well as in the Chapter on Women and Child Labour. In particular, priority should be given to extend maternity benefits, childcare, widow pension etc. to all women living below the poverty line.

CHILDREN

8.334 The report on Human Development in South Asia for 1997 describes the plight of children in South Asian countries as follows:

8.335 'To be a child in South Asia is to suffer a life of constant denial. Children are often born without their mothers being attended by trained health personnel. In fact, nearly 70% of the mothers struggle alone, surrounded by untrained though anxious relatives, at the time of their greatest need.

8.336 'In their survival and development, these children face even more formidable hurdles than those they face at birth. Half of the world's malnourished children (83 million) are to be found in just three countries: Bangladesh, Pakistan and India.

8.337 About 85 million children in South Asia have never seen the inside of a school. Only half of the total number of school-age children enrol in schools. Of these, 42% drop out before reaching Grade 5. (In India the percentage of primary enrolment went up to 102 in 1992, but the percentage of children who drop out

of schools before grade 5 was as high as 34). While many children are forced to leave school due to family circumstances and the compulsion to provide economic support to the household at a tender age, one of the main reasons for the high rates of school dropout in South Asia is that both parents and children realise the poor quality of education they receive. Dramatic improvements are required in teacher training and supervision, in learning materials and school facilities.

8.338 Even more worrying than the state of education is the fact that there are an estimated 134 million children in South Asia, employed as child labour, sometimes in inhuman conditions and for paltry wage.

8.339 Many children have to work over fifteen hours a day and are often physically abused. Rape and beatings are frequent. Once bonded, these children are traded like livestock and sometimes shipped to distant areas. 70% of South Asia's children are employed in agriculture, mainly victims of an entrenched system of bonded labour, where whole families are enslaved in order to pay off debts.

8.340 Pressures are now emerging,

both from governments and from civil society organisations within these countries, to stop the use of child labour. The plight of children, the existing legislation and the schemes of the Government of India have been discussed in detail in the Chapter on Women and Child Labour. Here, we would like to emphasise that a National Scheme may be designed for the payment of children's allowance on a universal basis, subject to a means test, to persons below the poverty line. This would be one way of integrating social security schemes with poverty alleviation programmes. Special measures should be taken to prevent sickness and promote the overall well being of children, specially the girl child.

8.341 The Government of South Africa is reported to have introduced a Scheme of State Support of Children of Poor Families. There are similar schemes in India for members of Scheduled Castes and Tribes who are given monetary incentives for sending their children to school. The Study Group has suggested that the scope of these schemes may be extended to cover all families below the poverty line whereby the parents may be given a cash allowance for

the maintenance of children.

8.342 According to the 1991 Census, the total population of children was about 320 million. Assuming that this number has gone up to 350 million by the year 2001 and that 25% of them are below the poverty line, the number of children for whom such assistance would have to be given, would be about 90 million per month. Assuming again, that the rate of children's allowance to be paid would be Rs.50 per child per month, the total cost of the scheme would be about Rs.5400 crores per annum.

NATIONAL POLICY FOR OLDER PERSONS

8.343 The aging of population is a global phenomenon. In 1950, there were about 200 million persons aged 60 and over in the world, constituting 8.1% of the total global population. It is projected that by the year 2050, there will be a nine fold increase in the population of the aged to 1.8 billion representing about 20% of the total population.

8.344 India is no exception to this trend. According to the 1991 census, the proportion of the elderly persons

has risen from 5.3% in 1961 to 6.58% in 1991 and is expected to be 9.08% in 2001 and 9.875 in 2021. More than four-fifths of the elderly persons live in rural areas, and the female elderly outnumber the male elderly.

8.345 According to the 42nd round of the NSSO, 34% of the rural elderly were financially independent as against 28.94% in urban areas, 12% of the male elderly were staying alone, and this percentage was a little above 1% for females.

8.346 There are three ways in which social protection is provided to the elderly, namely, social assistance, social security and provident funds. These schemes have already been discussed in this chapter earlier.

8.347 We will reiterate the need for a national policy for older persons. Moreover, assuming that at least 1% of the aged require institutional care, facilities would have to be created for providing institutional care to about fifteen lakh persons. It is difficult to believe that an adequate number of voluntary organisations will come forward to set up so many old age homes. There is, therefore, no alternative to the Central and State

Governments taking the initiative to set up their own homes in sufficient numbers.

8.348 One cannot be content with the setting up of homes. The quality of service provided in these homes needs to be monitored. The existing arrangements in this regard are less than adequate. It is, therefore, necessary to establish a well-organised regulatory system to ensure that standards are maintained, and exploitation avoided.

8.349 With the growth in the population of the aged, the associated problem of caring for the aged is becoming increasingly important. Lately, long term care of the elderly in some of the developed countries has been systematised in the form of social care insurance as a part of social security. It has been reported that in 1991, in Germany, approximately one-third of the social security expenditure was devoted to care provision. The concept of care dependency is distinct from treatment for illness, and it covers help with daily tasks that do not fall under any medical treatment plan, e.g., personal hygiene, feeding, mobility or housework.

8.350 The normal and preferred arrangement for taking care of the aged is to encourage them to live with their families. This would also be consistent with our national tradition. Where there are either no families, or where the families cannot look after them, they would have to be provided with institutional care.

8.351 Appropriate schemes would need to be designed for the health care as well as long term care of the elderly. It may be mentioned here that the health insurance schemes of the GIC do not cover persons who are above the age of 70 who require greater attention, for reasons that are obvious.

8.352 Maintenance is a civil right that enables needy persons to receive economic support from those who are liable to protect and maintain their spouse, children, parents, etc. By law, parents are bound to maintain minor children, major children their parents, the husband his wife, and vice versa. The quantum of maintenance varies depending on the economic status of the parties. The various personal laws such as the Hindu Marriage Act, 1955, the Hindu Adoption and Maintenance Act, 1955,

the Indian Divorce Act, 1859, the Parsi Marriage Act, 1954, the Shariat Laws, etc., provide for maintenance, also known as alimony or allowance. Civil courts take a long time to dispose off cases. Even if a competent civil court passes a judgement and decree, execution takes months and even years due to cumbersome legal procedures. Even before the maintenance is realised the decree holder may die of starvation.

8.353 Realising the above, the right to maintenance has been incorporated in Chapter IX of the Criminal Procedure Code (Cr.P.C). It is an entitled 'order for maintenance of Wives, Children and Parents.' Under Section 125 of the Cr.P.C., 'if any person having sufficient means neglects to maintain (a) his wife, unable to maintain herself, or (b) his legitimate or illegitimate minor child, whether married or not, unable to maintain itself, or (c) his legitimate or illegitimate child (not being married) who has attained majority, where such child is, by reason of any physical or mental abnormality or injury unable to maintain itself, or (d) his father or mother, unable to maintain himself or herself, a magistrate, of the first class, may

upon proof of such neglect or refusal, order such person to make a monthly allowance for the maintenance of his wife or such child, father or mother, at such monthly rate not exceeding five hundred rupees on the whole, as the magistrate thinks fit, and to pay the same to such person as the magistrate may from time to time direct.' A ceiling of Rs.500 per month towards maintenance will not prevent vagrancy though that is the object of the provision. Various women's and civil rights organisations and other activists have raised their voice against this ceiling. In West Bengal the amount was raised to Rs. 1500.

8.354 In Tamil Nadu, after a long debate with various sections of society and women's organisations and the Tamil Nadu Women's Commission, it was decided to amend the Cr.P.C. and remove the ceiling, and to vest in the magistrate, the power to grant maintenance in his discretion, taking into account the capacity of the person to pay, and the need of the person seeking maintenance. The Legislative Assembly unanimously passed a bill to amend the Cr.P.C. accordingly, and it was sent to the Central

government for obtaining Presidential assent. In the meantime, the Government changed, and the Bill has been withdrawn on the ground that the Central Government itself is contemplating a similar amendment.

8.355 In sum, the Union Law Minister announced that the Government of India is planning to enhance the interim maintenance limit for an estranged wife from the existing Rs.500 to Rs.5000 on the recommendation of the Law Commission. We are glad to learn that this has now been done through an amendment to Section 125 of the Cr.P.C.

8.356 We welcome this move and suggest that the ceiling on the amount to be paid for maintenance of dependants may be removed as was proposed by Tamil Nadu, and it may be left to the courts to decide the amount depending on the facts of the case.

8.357 In order to ensure that the elderly keep healthy, it is necessary that they remain gainfully active. Their service can, therefore, be utilised in various activities of the community such as manning child care centres,

cultural clubs, vocational training centres, etc., for which they may be paid appropriate remuneration.

NATIONAL SCHEME FOR PENSION FOR PHYSICALLY HANDICAPPED

8.358 The Human Development Report 1993 has observed that despite the necessary demand for greater participation, large numbers of people continue to be excluded from the benefits of development. Disabled persons represent one such excluded group.

8.359 The disabled represent at least 10% of the world population. They include all those who have experienced injury, trauma or disease that results in long term physical or mental changes.

8.360 There is no systematic, scientific and precise information available on the prevalence, degree and kinds of disabilities in India. Only a few sample surveys at discrete points of time are available, and the information collected through these

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²² Annual Report, Ministry of social justice and Empowerment 1999-2000

may not be strictly comparable due to differences in scope, coverage and even concepts. According to the NSSO sample survey of 1991 in the field of visual, hearing, speech and locomotive disabilities, it has been estimated that about 1.9% of the population of the country is disabled. As regards mental retardation, a sample survey conducted by the NSSO in 1991 estimated that about 3% suffer from delayed mental development. The number of leprosy-affected persons is estimated to be about 4 million, of whom a fifth are children. Fresh cases of disability every year have been estimated to be 7.5 lakhs as per the 1991 sample survey. Hence, on average, 5% of population is estimated to be suffering from some kind of disability. In terms of absolute numbers the estimated number of people having disabilities is about 50 million.²²

8.361 Disability, even in industrial countries is closely linked with poverty. It is more common in rural areas and among the poor. The disabled face many barriers to participation. Lack of education is one. Discrimination in employment is another.

8.362 Some countries have taken measures to give greater opportunities to the disabled. Germany, for instance, has a quota of 6% for employment of the disabled, in both government and private businesses. The United States has far-reaching legislation: The Americans with Disabilities Act, 1992, sets a large number of standards to be achieved in working life.

8.363 In India, a National Policy for the Handicapped has been under preparation for several years. It has not yet seen the light of day. The Ministry of Social Justice admits that all the measures initiated by the government/s have reached hardly 5% of the population with disabilities. What is more disturbing is the fact that even the scant services available, are highly skewed in favour of the large urban metropolises. There is hardly any networking of services available outside the cities.

8.364 Since the Ministry has itself recognised the deficiencies in the existing arrangements for social protection of the disabled, there is not much that we need say in the matter. We, however, feel that it is necessary to prepare a

comprehensive plan of action covering, inter alia, the following aspects:

- a) Removal of the disabilities, whenever possible, should be the basic objective of any such plan. Where the disabilities cannot be removed, measures should be taken to bring the disabled persons into the mainstream by providing them appropriate education and skill training.
- b) The People With Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995 already provides for a 3% reservation in identified posts in all government and public sector offices for disabled persons. Steps should be taken to enforce this provision strictly. The feasibility of extending this requirement to employment in private establishments as in Germany, and Japan, may be considered.
- c) The provision of adequate employment opportunities should be the second priority in any scheme for the welfare of the disabled.
- d) It may not be possible to

provide employment to all the disabled as their capacity to work will not be uniform. Yet, the attempt should be made and the avenues explored to provide access to such work as within the ability of the disabled person. In cases of persons who cannot work, the State should provide a safety net by providing them food, clothing and shelter at its own expense.

- e) There should be a proper assessment of the numbers involved and schemes prepared to cover them.

8.365 The Study Group has suggested the introduction of a National Scheme of Pensions for the Physically handicapped. The Commission endorse the views of the Study Group.

8.366 The Central, as well as the State Governments have undoubtedly introduced several schemes for the welfare of the Disabled. On a review of these schemes, one cannot help forming the impression that they are, at best, ad hoc in nature and do not conform to any overall plan or blueprint. While many of the schemes

are laudable, their adequacy and effectiveness are open to question.

8.367 For example, District Rehabilitation Centres have been set up to provide comprehensive rehabilitation services to the rural disabled in 11 districts. There is no information about the number of persons who have availed of the services provided through these centres. It has not been explained why similar centres cannot be opened in all the districts and urban areas.

8.368 We suggest that the feasibility of opening such centres in all the districts and in all the States and U.T.s. may be considered. It would be desirable to route all social assistance for disabled persons through such centres.

KHETIHAR MAJDOOR BIMA YOJNA

8.369 Agriculture is still the largest occupation in India. It provides employment to over 200 million people. The persons employed in agriculture are broadly of two classes - cultivators and agricultural workers. According to the 1991 Census, the total number of cultivators was 107

million and the total number of agricultural labourers was 74 million.

8.370 The following schemes are designed for promoting or protecting the interests of cultivators:

- a) Crop and Livestock Insurance Schemes
- b) Minimum Support Price
- c) Fertiliser Subsidy
- d) Subsidy on Sale of Electricity
- e) Drought Area Development Programmes
- f) Desert Development Programmes
- g) Other forms of assistance

8.371 The Union Finance Minister, in his budget speech for the year 2001-02, announced a proposal to introduce a new Social Security Scheme for agricultural workers called the Khetihar Mazdoor Bima Yojana. The Scheme is reported to have been launched on the 18th of May 2001. It was expected to come into operation from July 1. It has been described as the first ever scheme for the welfare of the farm workers and a step towards meeting the social security needs of agricultural workers.

8.372 We welcome the initiative taken by the Government in introducing the Scheme. It seems, however, to be a departure from the original proposal to establish an employment board and a welfare fund for the workers. We suggest that these proposals may also be revived and implemented early.

8.373 In the past, contributory schemes of this kind have not been successful. Much depends upon the kind of extension work that is done to promote the Scheme. As the Scheme is yet to be put into operation, it is premature to say what the result of the Scheme will be.

8.374 There are several occupational groups sharing the socio-economic conditions of agricultural workers. To target a single group for such a scheme may be discriminatory. Extension of the scheme to other workers in the unorganised sector would be more beneficial.

PENSION TO LEPROSY PATIENTS

8.375 Leprosy is a scourge. India has a large number of leprosy-affected persons, estimated at 4.50 lakhs. 58% of the global recorded

caseload is from India. About 15-20% of the patients are children. The proportion of multi-bacillary cases ranges from 10-30% in different regions. The deformity rate is approximately 6-8% among the total number of cases. The incidence of leprosy is high in the south eastern and eastern regions comprising Tamil Nadu, A.P., Orissa, Bihar, M.P., U.P., Maharashtra, Karnataka and West Bengal. Bihar, U.P., West Bengal, M.P. have the highest number of cases representing 15.5%, 16%, 11%, and 10.5% of the total country load respectively.

8.376 The National Leprosy Control Programme was introduced in 1955. Initially, it started as a Centrally aided scheme with focus on rural areas of high and moderate endemicity. It was converted into a 100% Centrally Sponsored Scheme in 1969. The object of the scheme is to control leprosy through Domiciliary Dapsone Monotherapy. In view of the scientific advancement and availability of highly effective treatment of leprosy, the programme was re-designated as National Leprosy Eradication Programme in 1987 with the initial aim of arresting the disease activity in all the known leprosy cases in the

country by the year 2000 A.D. It was stated that the ultimate objective was to eliminate leprosy. The present approach is based on early detection of cases and their prompt and regular domiciliary treatment with Multi Drug Therapy (MDT). The education of the patient and the community about the curability of the disease, training of staff and medical rehabilitation are the other key components of the programme.

8.377 With the implementation of the MDT services under the programme, a large number of leprosy cases are being discharged as the disease is cured. For the first time in 1987, the number of cured cases exceeded the number of new cases. Since then, with the rapid extension of MDT services to other endemic areas, the percentage of discharged cases is rapidly increasing each year. During the year 1995-96, the number of discharged cases was over 6.17 lakhs as against new detection of 4.25 lakhs.

8.378 So far, the programme has been able to treat and discharge about 9 million cases from the registers out of which 6.57 million cases are due to cure with MDT. The

leprosy case load at the end of 1995-96 was reported to be 5.4 lakhs.

8.379 The Central Government has a scheme of providing financial assistance to N.G.O.s for the rehabilitation of the leprosy-cured persons both in rural and urban areas. Assistance is given up to 90% of the project cost. Programmes like awareness generation, early intervention, education and vocational training, economic rehabilitation, social integration, etc. are undertaken under the scheme.

8.380 It is satisfying to note that a large number of leprosy-affected persons have been cured but the number of persons yet to be cured is by no means small. They need not merely treatment for the disease, but also assistance for their living as they may not be able to work and earn their livelihood except through begging. Even in the case of patients who are cured, it is doubtful whether they can be totally self-reliant. The Government of Kerala has therefore, introduced a pension scheme for such patients. Our Study Group has suggested that a national scheme be drawn up for payment of pension to leprosy affected persons on the same lines as the pension for

the physically handicapped persons, with the rate of pension being raised to Rs.200 per month.

8.381 Mentally ill persons form another category of vulnerable group that requires attention. The inhuman conditions in which the mental asylums are maintained was the subject of a recent report of the National Human Rights Commission and an incident in a Tamil Nadu institution. The Commission has said that there is an urgent need to transform mental hospitals into genuine centres of care and treatment, and to see that they do not remain custodial institutions. Factors contributing to chronicity and disability are: (i) delay in seeking treatment; (ii) irregularity and incomplete treatment; (iii) lack of support from the family and (iv) inadequate rehabilitation support. All of these are areas suitable for intervention by public health authorities. For a large majority of the mentally ill, lifelong illness or disability is totally avoidable.

MENTALLY ILL

8.382 The Mental Health Act 1987 places the responsibility for planning and monitoring of the care of the

mentally ill persons on the State. Unfortunately, not all States have formed a State level Mental Health Authority. The State should support the families of the mentally ill by providing them community based services and where absolutely necessary, financial aid.

8.383 A National Scheme should be drawn up for providing institutional care and means of livelihood to mentally sick people who are unemployable, and their dependants, treating them on par with the physically handicapped.

BEGGARS AND OTHER DISADVANTAGED GROUPS

8.384 The problem of beggary has become a cause for serious concern. There is no Central Law applicable in the whole country for prevention and control of beggary. However, the various Anti-Beggary Acts require setting up of institutions for the detention, treatment, training and rehabilitation of beggars.

8.385 In 1992-93, a new Central Sector Scheme for the prevention of beggary was introduced with the objective of developing facilities for

education and vocational training of beggars with a view to training them to engage in productive work.

8.386 While able-bodied beggars should be given training and helped to get employment so that they might give up beggary, there may be many persons who may not be able to work and earn their living because of their physical condition. In such cases the State would have to provide them the basic means of livelihood. This can be done either by maintaining them in beggar homes, or by giving them a pension on which they may subsist. A National Scheme may be drawn up for the purpose.

8.387 The National Scheme of Liberation and Rehabilitation of Scavengers and their dependents was launched by the Government of India in March, 1992, with the following three components:

- a) A periodical survey to identify scavengers and their dependents and their aptitude for alternative trades and professions.
- b) The training of scavengers and their dependents

- c) The rehabilitation of scavengers through projects with a prescribed funding pattern.

8.388 There is a prescribed financial package for the rehabilitation of scavengers in alternative trades through the provision of financial assistance upto Rs. 50,000/- per beneficiary. In addition to the funds released by the Government of India, the NSFDC also earmarks 10% of its disbursable funds for the welfare of persons engaged in 'unclean' occupations including scavenging.

8.389 While commending the initiatives taken by the Central Government to eliminate the obnoxious practice of manual handling of night soil and filth, our Study Group suggested that effective measures be taken after discussion with the representatives of the States for weaning people engaged in that profession and for rehabilitating them in other employments. We endorse these views.

8.390 There is a proposal to establish one or more welfare funds for rag pickers. It is suggested that the feasibility of setting up similar welfare funds for other scavengers also may be considered.

DISASTER MANAGEMENT

8.391 Social security schemes are designed to provide relief against economic and social distress caused by a variety of contingencies. One such contingency is the occurrence of natural disasters which affect a large number of people at the same time. It is said that in 1943, when the Great Bengal Famine occurred, over 5 million people died. It is common knowledge that in India, natural calamities in the form of drought, famine, cyclone, floods, earthquakes etc. have been occurring every year, in one part of the country or the other. Every such disaster attracts every form of social security, namely, medical care, invalidity benefit, survivors benefit, maternity protection, child care etc. It is therefore, necessary to design an appropriate National Scheme for providing relief and rehabilitation assistance to the affected people.

8.392 An appropriate organisation is required to handle the crisis situations, and adequate funds should be allocated for this purpose.

8.393 In this connection the following suggestions have been made:

- (a) It would be worthwhile to think in terms of creating an auxiliary task force specially trained to handle such situations. The Army could provide the necessary training for the task force. Retired army personnel could be of immense help in such agencies. Units of this task force must be in a state of continuous preparedness, ready to swing into action as soon as a disaster strikes.
- (b) It is also necessary to have a computerised data base which would be available to the bureaucracy as well as to the task force. The database would contain information about where the members of the local task force are located, the means of getting in touch with them and the instructions that are to be issued to them. An inventory of the various types of transport available in each district as well as the kind of assistance that could be provided by the railways, the air force, and the navy would be a vital part of the database.
- (c) Special equipment would be necessary to rescue people. Lists of the equipment required

and its location must be prepared. Building and highway contractors could post a list of their equipment and its locations electronically. Exercises could also be done to find quick ways of transferring this equipment. Large industrial houses and computer professionals can get together to evolve this system in collaboration with government institutions

- (d) Estimates of the kinds of drugs and equipment needed for different types of disasters per 100 persons need to be kept ready with disaster research centres. Such information is now available. All decision makers should be aware that it exists, and where it can be accessed. Large hospitals need to have lists of private doctors and individuals in their neighbourhood who would be willing to volunteer professional and nursing help and equipment. Regional consortia can be set up for outdoor wards and operational facilities with the help of tent houses etc. There is a great deal of medical expertise internationally available on

dealing with these exigencies and issues, and we must set up systems that can meet our needs.

- (e) The all-important question of where the money for all this work will come from will also have to be addressed at the outset.
- (f) The role of the NGOs would be very crucial in this context. The data base should also list all the NGOs in each region and the kind of help they would be able to render in a crisis situation, be it in terms of human resources, materials or money, or all three.
- (g) Blueprints for dealing with disasters have been evolved. Institutes for disaster management have also been set up. But most of this work remains at a sub critical level, and is not given importance. Not enough has been done to involve all sectors of society, and the arrangements have not been rehearsed from time to time.
- (h) Detailed scientific post hoc analyses need to be undertaken after every disaster to

understand what worked and what did not work, and why. The results of such exercises will have to be shared with the departments and groups concerned so that responsibilities can be assigned by each agency. If this were done periodically, people would know how to act constructively when a natural or man-made disaster strikes.

- (i) A permanent commission for disaster management should be set up on the lines of the Election Commission. It should be responsible for the management of relief and rehabilitation after every drought, loss of crops, floods, cyclones, earthquakes and other disasters. This body could study how disasters are managed in other countries and suggest the equipment to be purchased. It should also be empowered to seek help from the Army, Police and other personnel in times of acute distress due to calamities.

8.394 In the UK, a set of guidelines have been issued by the Home Office for dealing with disaster. These

guidelines identify the agencies responsible for handling situations arising out of disasters, and how they should function. The guidelines also set out the command and control mechanism to be set up for handling disasters. Similar arrangements need to be made in India.

8.395 The enormity and complexity of the problem would suggest the need for initiating action on many fronts. The starting point for such action would be to develop a comprehensive disaster response and mitigation policy, and a legal and administrative framework to implement it.

SOCIAL SECURITY - A VISION

8.396 Keeping in view the need for providing social security to workers both in the organised and unorganised sectors and other vulnerable groups, and the need for simplification and cost effectiveness, the Ninth Plan Working Group recommended the following initiatives in the field of social security during the Five Year Plan:

- a) A National Policy on Social Security should be announced

with a view to ensuring compulsion and direction. For this purpose the concept of social security should be clearly defined.

- b) The ILO Convention on Social Security (Minimum) Standards, 1952 should be examined, and efforts should be made to ratify it during the 9th Five Year Plan.
- c) Social Security should be firmly and comprehensively integrated with the economic development and planning process, and if necessary, the Central and State Governments should provide extra budgetary support for social security.
- d) It should be the endeavour of the Government to evolve an integrated comprehensive scheme of social security by combining, in a single legislation, the provisions of all existing social security schemes. This would definitely result in increased coverage, reduced overhead costs and improvement in the content and quality of the programme. A separate department of social security should be set up within

the Ministry of Labour. It should be set up with a strong Research and Development wing to facilitate and accelerate the development process and to achieve extension of social protection to all sections of the working population. This should also provide for the introduction of contributory unemployment insurance schemes in the organised sector since the restructuring of the economy in the wake of liberalisation, may result in many workers having either to change jobs or to remain unemployed for some time.

8.397 A Task force on Social Security was constituted by the Government of India in December 1997 headed by Mr. S.K.Wadhawan to study the working of the ESIC Corporation, Employees Provident Fund and Employees Pension Schemes and other Central social security schemes, to recommend modifications or changes in the structure and organisation of ESIC and EPFO, and to work out modalities for integration and unification to evolve an integrated Comprehensive Scheme of Social Security covering all

existing schemes.

8.398 The Task Force submitted its report in 1999 recommending, inter alia, the administrative merger of the ESIC and the EPFO as a first step towards the introduction of a single comprehensive legislation. The Task Force has also recommended the integration of the Workmen's Compensation Act and the Maternity Benefit Act in the ESI component, and the Payment of Gratuity Act in the EPF component of the integrated scheme.

8.399 The Task Force has further recommended:

- (a) Ensuring uniformity of coverage of all the laws
- (b) Uniformity in the definition of common terms
- (c) Collection of a single contribution for all the schemes
- (d) Integration of the funds of the ESIC and the EPFO
- (e) Establishment of a single Social Security Board for the administration of the integrated scheme, with a Managing Committee and a Medical Benefit

Council; and

- (f) Establishment of Regional Boards in each State.

8.400 The Study Group appointed by our Commission considered the question of the Integration of social security in the light of these developments and came to the view that the integration of social security can be thought of at several levels:

- (a) Integration of the existing employers' liability schemes with the corresponding social insurance scheme: integration of Workmen's Compensation and Maternity Benefit Acts with the ESI Act; integration of the Payment of Gratuity Act with the EPF Act.
- (b) Integration of ESIC and the EPFO.
- (c) Integration of all Social Security organisations at the central level, namely, the ESIC, EPFO, the CMPF and the Seamen's Provident Fund.
- (d) Integration of all the social security schemes being administered by different Ministries of the Central

Government such as the National Social Assistance programme being administered by the Ministry of Rural Development, programmes for the elderly, the disabled, and other vulnerable sections being administered by the Ministry of Social Justice; programmes for women and children being implemented by the Department of Women and Child Development, etc., Midday Meal Schemes being implemented by the Department of Education, PDS being administered by the Ministry of Food, housing schemes being administered by the Ministry of Urban Development, etc.

- (e) Integration of all social security schemes being administered by the Central as well as State governments.

8.401 The administrative arrangements for the integration of the various social security schemes are discussed in the section on Administration of Social Security. The Commission has come to the view that, to begin with, there should be a functional integration of the schemes. That issue is discussed in later

paragraphs.

8.402 The current trend throughout the world is to have multi-tiered systems of social security. The Director General, ILO, in his report to the 80th session of the International Labour Conference, has observed:

"Although social protection systems should be designed in the light of specific socio-economic contexts, there are some basic themes which are common to all systems. Responsibility is ordinarily shared between the individual, the employer, the family and the State. Fulfilling this responsibility implies some reallocation of resources to support measures aimed at ensuring the continuity of an acceptable standard of living. This reallocation may involve resources controlled by the individual (savings or the purchase of medical insurance or a pension plan), the employer (wages, benefits and conditions of service), the family (income and savings), or the State. The extent of the reallocation will depend on both the resource capacity and perspective of all concerned, but should nevertheless include provision to ensure a basic standard of living, with such supplements as may be needed to minimise the

consequences of adverse contingencies.

8.403 "One of the basic requirements of social protection policy is to preserve the delicate balance implied by this notion of shared responsibility. Thus, attention should also be paid to the encouragement of individual thrift and initiative, the traditional strength of family or community support, as well as the development of institutionalised schemes based on national or group solidarity. Similarly, private pension funds and insurance schemes may have an important supplementary role to play which should be recognised in a partnership with the public sector.

"Given the need for each country to find the appropriate blend of responsibility, and to match it with available resources in order to produce a social protection strategy which complements economic policy and human resource development, it is not possible to prescribe detailed structures which are applicable everywhere. Nevertheless, several aspects emerge from this notion of shared responsibility which, with due allowance for considerable flexibility, could result in the following tiers of

protection:

"A basic universal support system, financed from taxation and administered by government, would aim at providing services to meet basic needs, as well as a guaranteed minimum income, related to subsistence levels, on a means-tested basis. While this tier should be regarded as a basic component of social protection strategies, for most developing countries the provision of a realistic guaranteed minimum income would have to be a long-term objective, owing to their limited resources.

"A compulsory defined benefit tier, financed from a public fund made up of contributions paid by employers and insured persons (or conceivably from taxation), would provide benefit, subject to qualifying conditions, in the form of periodic payments in respect of prescribed contingencies, at least to the minimum level envisaged by ILO Conventions. The tier might consist solely of an earnings-related scheme with benefits and contributions based on a prescribed percentage of earnings.

"Alternatively, there might also be

provision for a minimum benefit or a separate flat-rate component which would have the effect of enhancing the solidarity base of the tier, and thus offset its otherwise regressive effect. The flat-rate component could cover long-term contingencies such as old age, invalidity, disablement and bereavement. By virtue of its simplicity and uniformity, it would facilitate coverage beyond the formal sector labour force.

“The method of financing would require a flexible approach. Between the basic choices of pay-as-you-go or full funding there are a range of options based on partial funding, which would enable the financial system to be tailored to the circumstances, and to take into account such factors as the scope of the available capital market for investment, the capacity for the payment of contributions and the desired level of resource transfers between generations.

“The desired division between public and individual responsibility would be reflected in the range of benefits not provided under the solidarity tier, thereby determining the need of complementary initiatives to be taken either by the individual, whether alone

or in association with others, or by employers on behalf of employees, whether directly or through private pension funds or commercial insurance. The essence of this tier should always be to provide a supplementary component, tuned to the needs of the individual, which would build on the cornerstone of social protection based on solidarity without, however, detracting from it. Although such initiatives would essentially be open to individuals and/or their employers, it would be necessary to provide statutory controls to ensure that schemes comply with acceptable standards as regards investment practice, portability of rights, accountability and administration. In many developing countries, however, low incomes offer little scope for voluntary social protection; moreover, the history of public schemes does not inspire public confidence. Transparency, and the incentives associated with individual pension accounts may be needed to give this tier any chance of success. “The importance of flexibility cannot be emphasised enough: indeed, the

.....
²³ Social Insurance and Social Protection ILO Geneva

scope of these tiers and their articulation within a national social protection strategy should respond to national needs, constraints and possibilities. Nevertheless, the concept of solidarity should be a basic foundation of any such strategy.

“While it can be reasonably portrayed as the responsibility of government to provide access to adequate basic medical care from general taxation, the capacity to do so will depend on available resources relative to need. In many countries, it will be necessary for this responsibility to be shared with individuals and their employers. Cost-recovery at the point of delivery is one option, but it offers limited scope since it imposes a potentially heavy burden on a beneficiary who has made no advance provision or is unable to do so. Compulsory health insurance offers better prospects of raising additional finance while also providing guaranteed entitlement to adequate medical care; such schemes are based on social insurance principles and depend heavily on the same requirements of administrative

efficiency and access to a section of the population which can provide sufficient contributions. Particular attention must be given to controlling expenditure, for in this field neither those providing the medical care nor those receiving it have much incentive to do so themselves.”²³

8.404 The ILO undertook a study of Social Protection of the Unorganised Sector in India under the Technical Support Services I of the UNDP in 1996. A report of the study was submitted to the Government in 1999.

8.405 The report said:

“Since about 10% of the working population and their dependents are covered by formal sector social insurance, extension and reform of the formal social insurance system could reach roughly another 5% of the working population, i.e., most regular and some casual wage workers in the unorganised sector. At the other side of the income scale are the 30% of poor households who can only be helped by tax financed social assistance. This leaves about 60% of the working population- above the poverty line but not eligible or not interested in formal insurance- who

²⁴ Social Protection for the Unorganised Sector –India; ILO Geneva.

has some contributory power and is interested to contribute to social insurance programmes that are tailored to their needs. So the main challenge of a comprehensive social security policy is to reach this majority of the working population.”²⁴

8.406 In the light of these views the Study Group of this Commission felt that in evolving an integrated and comprehensive system of social security in India, one should have a broad vision and one should develop a structure which will encompass the whole population with its diverse needs, It cannot be a single scheme but has to be a combination of schemes catering to the needs of different target groups with different needs and different paying capacities. The Study Group has expressed the view that, in India, there already exists a three-tier system which can be expanded and consolidated. At the first tier, there are the National Social Assistance Programmes and other social assistance programmes. At the second tier, there are the social insurance schemes namely the ESI Scheme, the Schemes framed under the EPF Act, the employers’ liability schemes and such others. At the next level are the numerous voluntary

health insurance and old age pension schemes which are being run by the LIC, the GIC, the UTI and other financial institutions. Lately, a new set of schemes has appeared on the scene, comprising the welfare funds, subsidised insurance schemes, self help groups and micro credit, micro insurance, and the like. Each of these tiers needs to be expanded so that together, they cover the whole population.

8.407 The system envisaged by the Commission comprises of four tiers, namely:

- a) Social assistance programmes, financed from the exchequer and wholly based on tax revenue.
- b) Schemes which are partly contributory and partly subsidised by the State.
- c) Wholly contributory social insurance schemes; and
- d) Voluntary Schemes.

8.408 Destitute and people below the poverty line, who cannot make any contribution for their security, may be covered under the tax-based schemes in the first tier. Workers in the unorganised sector, who have

some contributory power but cannot be self-sufficient, may be covered under the subsidised schemes in the second tier. Those who either by themselves, or jointly with their employers, can make adequate contribution to the schemes so as to be self sufficient may be covered under the social insurance schemes in the third tier. Others who are comparatively affluent and can make their own provisions for meeting contingencies or risks as and when they arise, may be covered under voluntary schemes which the new insurance companies can provide.

8.409 The Commission accepts the suggestions of the Study Group and recommends that a comprehensive scheme for social security should be organised in our country through a four-tier system of the kind described in the earlier paragraphs.

8.410 India is a federal State. The Constitution of India assigns the responsibility for social security concurrently to the Union and the States. The subject is, therefore, placed in the Concurrent List (List III of the Seventh Schedule) of the Constitution. The items on List III relevant to social security are: Social

security and social insurance, employment and unemployment; Welfare of labour, including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefits.

8.411 The entries seem to make a distinction between social security and social insurance on the one hand, and between social security and welfare of labour, including aspects of social security like workmen's compensation, provident funds, employers' liability, old age pensions and maternity benefits, on the other. They make a further distinction between employers' liability on the one hand, and workmen's compensation and maternity benefits (which are also employers' liability schemes) on the other. The rationale of these distinctions is not clear. There is also no mention of gratuity, lay off and retrenchment compensation and the newer concepts of social protection and social safety nets.

8.412 The Commission, therefore, feels that the two items on List III of the Seventh Schedule could be rationalised to keep in line with current day concepts of social security. Item

23 may be reworded as 'Right to work, employment, unemployment including unemployment relief, and welfare of labour including wages, safety, health, work environment and other conditions of work.' Item 24 may be modified to read 'social security including social insurance, social safety nets and other forms of social assistance, employers' liability, medical care, sickness, workmen's compensation, invalidity or disability, maternity, mother and child care, family allowances, old age and survivors' benefits.

8.413 The 'concurrent' nature of the subject of social security implies that the Union and the individual States have their own policies, priorities and programmes. Even within the Union Government, the subject is not the responsibility of one Ministry. 'Social security and social insurance, save to the extent allotted to any other department,' is the responsibility of the Ministry of Social Welfare, while the Ministry of Labour is concerned with social security legislation as part of labour welfare. Unemployment insurance is also a subject assigned to the Ministry of Labour. Policy initiatives in the field of life and general insurance are the

responsibility of the Ministry of Finance. On various other aspects of social security, the Ministry of Health, a number of production Ministries dealing with industries, mines, plantations, etc., are involved. Rural and urban employment generation programmes are handled by the Ministries of Rural and Urban Development respectively. The situation in individual States is a replica of this fragmented responsibility between different departments and agencies. The result of these arrangements has been that social security programmes have evolved over time, in an environment that lacked long-term policy and well co-ordinated programmes. As pointed out by the Working Group on Labour Policy set up by the Planning Commission in connection with the Ninth Plan 'The schemes of social security, types of benefits or protection provided thereunder do not conform to any overall plan or design. There is, as a matter of fact, no policy on social security, no plan for social security and the Five Year Plans are practically silent about this important aspect.' Similar views have been expressed by several other experts.

8.414 The Commission is of the opinion that it is high time that a national policy on social security is formulated and a national plan to achieve the objectives set out in this policy. There is also a need for continuous planning and co-ordination and monitoring at the federal level. The system of social security outlined in this report is more comprehensive, and accordingly requires a much higher degree of co-ordination than now. There is no focal point from which this is done at present. We, therefore, feel that it is necessary to create a small but strong agency in the Central Government which will be concerned with the horizontal (i.e. between interrelated aspects) and vertical (i.e. between the Centre and the States) coordination of social security planning, monitoring and review. This agency should not interfere with, but should supplement and reinforce the administrative Ministries which may continue to deal with aspects of social security as at present assigned to them.

8.415 The Commission has studied the proposals put forward by various bodies in this regard, like the Committee of Experts in the India Labour Code (1994) and The Ninth

Plan Working Group on Labour Policy. We strongly recommend the constitution of a high-powered National Social Security Authority, preferably under the chairmanship of the Prime Minister of India, with Ministers and Secretaries of all the concerned Ministries and Departments of Government of India and representatives of all the State Governments as members. The functions of the Authority will be mainly to formulate the National Policy on Social Security and to co-ordinate the Central and State level programmes and to ensure that the objectives of the Policy are achieved within the time frame prescribed.

8.416 At the administrative level, it is necessary to have a separate Ministry/Department dealing with various aspects of the subject of social security. It could be an entirely separate Ministry of Social Security or a Department of Social Security within either the Ministry of Labour or the Ministry of Social Justice. Practices vary in different countries. We would suggest a Department of Social Security within the Ministry of Labour. This Department would provide policy inputs and secretarial services to the National Authority, coordinate,

monitor and review specific programmes between various Ministries and the States. Similar arrangements can be made in the States under the charge of a senior Minister.

8.417 The Working group on Labour Policy for the Ninth Plan had recommended, inter alia, that it should be the endeavour of the Government of India to evolve an integrated Comprehensive Scheme of Social Security by combining, in a single legislation, the provisions of all existing social security schemes in order to achieve increased coverage, reduced overhead cost and improvement in the content and quality of the programmes. The recommendation was considered by the Planning Commission and The National Development Council and was subsequently included in the Approach Paper to the Ninth Five Year Plan. A Task Force on Social Security (headed by Shri S.K.Wadhawan) constituted by the Government of India to work out modalities for such integration and unification of ESI scheme, EPF and pension schemes and other Central social security schemes recommended the constitution of single Social Welfare Board to replace

the existing ESI Corporation and the Central Board of Trustees of the EPF organisation with representatives from the Central and state governments, organisations of workers and employers, the medical profession and the Parliament. A similar recommendation has also been made in the draft India Labour Code (1994). We feel that unification of administrative responsibility is both necessary and desirable. It was one of the fundamental principles underlying the social security plan evolved by Lord Beveridge in U.K., who considered that such unification was necessary in the interests of efficiency and economy. According to his plan, 'There will be in each locality a security office able to deal with the claims of every kind and all sides of security. The methods of paying different kinds of cash benefits will be different and will take into account the circumstances of insured persons, providing for payment at the home or elsewhere as is necessary. All contributions will be paid into a single Social Insurance Fund and all benefits and other insurance payments will be paid from the fund.'

8.418 Having regard to these facts,

the Commission recommends the establishment of a comprehensive social security system covering various existing programmes of different Ministries/Departments. However, to begin with, functional integration of all social security programmes in the organised sector could be attempted, pending a review of the need for administrative integration. This functional integration could be made operational by establishing a Central Social Security Board with separate divisions dealing with:

- Medical benefits
- Sickness, maternity and employment injury benefits.
- Old age, invalidity, survivors benefits including gratuity and funeral expenses.
- Unemployment insurance and other related services.
- Common services, namely, registration, collection of contributions, inspections, penalties, etc.

8.419 The Central Social Security Board would combine the functions not only of the existing ESI Corporation, EPF Organisation but

other organisations like the Coal Mines Provident Fund Organisation, the Welfare Funds for beedi, cine and mine workers, and Seamen's Provident Fund. Integration of other schemes administered by various Ministries of the Central Government such as the National Social Assistance Programmes, provision of subsidised food through public distribution, programmes for the elderly, the disabled and for women and children, the Midday Meal Scheme, etc. also may be desirable but does not appear to be practicable at this stage. The Central Social Security Board will have the responsibility for the administration of schemes of social security for which the Central Government is the appropriate government. Its functions would also include framing or approving supplementary schemes for application, in respect of the activities for which the Central Government is the appropriate government. The Board would need to be an autonomous body comprising members of high professional calibre in the fields of social security, finance and insurance, and run on purely professional lines, without governmental interference in the administration so that their

accountability to Government and Parliament is not compromised.

8.420 Similar arrangements can be thought of at the State level with a State Social Security Board in each State. The State Boards could look after programmes for which the State governments are the appropriate governments. It may be mentioned, in this connection, that the Government of Kerala has set up the Kerala State Labour Authority under an Ordinance promulgated in March 2001 (which had lapsed but may be renewed) for administration of the Kerala State Labour Authority Fund meant for the implementation of common welfare schemes and the Kerala Labour Welfare Fund, meant for manpower development and training. The Karnataka government has also planned to set up a Social Security Authority through a Bill which is presently before the State Legislature. The main objective of the proposed authority is 'to facilitate medical insurance, health care, housing, maternity facility, recreational facility and proper implementation of the statutory benefits including payment of minimum wages to the unorganised workers in the State.'

8.421 As far as the delivery of the

social security services and benefits to the beneficiaries is concerned, the Commission agrees with the Study Group on Social security that the mechanism of delivery should be based on two key principles:

- a) It should be as decentralised and as close to the beneficiaries as possible; and
- b) It should be tripartite or multipartite involving workers, employers, governments and other stakeholders.

8.422 For this purpose, we recommend constitution of District/Area Level Committees, which may be tripartite or multi-partite as the need demands with necessary secretarial assistance. These Committees will have the following functions:

- a) Identification of the beneficiaries and the issue of identity cards to them.
- b) Collection of contributions.
- c) Dispensing the benefits.
- d) Maintenance of records.

8.423 Services should be delivered

at the doorstep of the beneficiaries, if necessary through local bodies (Panchayats and Municipalities), post office and banks, micro-credit institutions and Self Help Groups and NGOs.

8.424 It is reported that many public social security institutions, in their effort to match their services with those of the private sector agencies, are experimenting with outsourcing the services. Some governments like those of U.K. and Australia have established semi-autonomous agencies to deliver direct services to social security clients. Although India has established such agencies, they have not been given the necessary autonomy or authority. The administrative arrangements with these agencies need to be reviewed and reformed. They could also be permitted to subcontract their services to voluntary organisations.

8.425 Many poor and illiterate beneficiaries of social security shy away from approaching the social security institutions for fear or ignorance. A sympathetic public relations network should be built into the system. One of the functions of this PR network would be to educate

the people about various schemes and the manner in which the benefits of the schemes can be availed of and to create awareness of their rights.

8.426 The system of social security envisaged in this report comprises social assistance programmes for people at the bottom of the income-based hierarchy, social insurance programmes for those at the top of the hierarchy and a combination of the two for those in between. In addition, there would be employers' liability schemes, schemes run by voluntary organisations and voluntary private insurance schemes supplementing those run, controlled or managed by the State.

8.427 Social insurance schemes are contributory, and their viability depends upon the rate/s of contributions received and the quanta of benefits paid out. The rates of contributions and benefits are ordinarily determined actuarially and are expected to be self-financing. A point has, however, been made in this connection that the uniform rates of contributions fixed for ESI and the schemes framed under the EPF Act are somewhat onerous for small employers, and more so for workers employed on a casual basis. It has,

therefore, been suggested that different packages of benefits with different rates of contributions should be designed to suit the capacity of the contributors to pay. We feel that there is merit in this suggestion and commend it for consideration.

8.428 Social assistance programmes are ordinarily financed by means of taxation. Welfare funds set up for beedi workers and mining workers are financed by levying a cess on the production, sale or export of certain specified products. A question may arise about the adequacy of the amounts collected by means of the cesses. In the course of our discussion, a point was made that the amount collected for the Beedi Workers Welfare Fund was inadequate and it had to be supplemented by contributions from the employers and the workers and from the general revenues of the Government.

8.429 A scheme may be contribution-defined or benefit-defined. In relation to the pension schemes, there is a demand that they should be contribution-defined so that the burden on the employers who have to make the contributions does not become heavy.

8.430 The Commission feels that the Schemes should be benefit-defined. We should first determine the nature and quanta of benefits to be provided and the estimated cost. The rate of contributions or cesses to be levied should be fixed keeping in view the amounts they are likely to yield in relation to the amounts required.

8.431 Having regard to the foregoing assessment and the modifications to the existing schemes and introduction of new schemes proposed in the previous chapters, the estimated cost of the proposed system of social security will be as follows:

- a) Old age pension: The qualifying age for old age pension will remain 65 years. The total number of persons aged 65 or above estimated on the basis of 2001 census is 46 million. If one-fourth of these are taken to be those below the poverty line, the number of old persons qualifying for old age pension may be taken as 11.5 million. At present NSAP covers 5.3 million people.

If the rate of pension is enhanced to Rs.200 per month as recommended elsewhere in this report, the total amount of pension payable per annum may be estimated at Rs.3000 crores.

- b) Widows Pension: This has two components. Firstly, widows aged 60 will get pension at Rs.200 per month subject to their income being below the poverty line. The estimated number of widows of age 60-65 is 4.9 million in 2001, one-fourth of whom would be below the poverty line i.e. 1.25 million with the rate of pension Rs.200 per month, the estimated amount of pension payable to widows between the ages of 60-65 in a year would be Rs.300 crores. Secondly, according to the recommendation that we have made earlier, all widows between the ages of 18 and 60 will get pension for two years at Rs 200 per month a supplement of Rs.50 each for two children and an equipment grant of Rs.5000 each for self employment. The number of women who get widowed in this age group annually, and for whom pension may have to be paid for two

years, cannot be estimated. The total amount of pension payable to them is therefore assumed as Rs.50 crores per annum.

Thus, the total annual liability on account of widow pension would be Rs.350 crores.

- c) Pension for the Handicapped: All physically handicapped persons with loss or lack of earning capacity of 70 per cent or more will be entitled to pension at Rs.200 per month. According to National Sample Survey the estimated number of physically handicapped people is about 5% of the total population, which comes to about 50 million. Information about the number of persons who have no earning capacity or have lost it to the extent of 70% is not available. It is, therefore, assumed that 10% of the total number of disabled persons which comes to 5 million would qualify for pension. On this assumption, the estimated amount of pension payable to the disabled will be Rs.1,200 crores annually.
- d) Maternity Benefit: The quantum of maternity benefit is proposed to be increased to Rs.2000 per

childbirth. Estimated number of childbirths per annum is 20 million. The number of child births below the poverty line (25%) qualifying for maternity benefit under social assistance programmes will be 5 million and the estimated amount of maternity benefit payable would be Rs.1000 crores per annum.

e)	Unemployment Relief: The Ninth Five Year Plan estimated the number of unemployed persons at 7 million. Assuming that one-fourth of them (1.75 million) would qualify on means test. The estimated amount payable as unemployment relief @ Rs. 200 per month will be Rs. 420 crores annually.	
f)	Distribution of Cloth:	

- (i) Estimated number of Destitute 6 million²⁵
 Estimated cost per head Rs. 150 per annum
 Total estimated cost of supplying cloth free of cost Rs. 90 crores

(ii)	Estimated number of people below poverty line	250 million
	Proposed rate of subsidy per head	Rs. 50
	Total Cost of subsidy	Rs. 1,250 crores
g)	Family Benefit (Survivors' Benefit)	
	Estimated number qualifying for the benefit	3,50,000 ²⁶

²⁵ As per the ceiling in the guidelines for the NSAP

²⁶ As per the ceilings in the guidelines for the NSAP

Rate of benefit	Rs. 2,500 (Reduced from the existing rate of Rs. 10,000 in consideration of the introduction of a National Widow Pension Scheme)
Amount required	Rs. 87.50 crores
h) State support to children of poor families:	

Estimated population of children	350 million
Number of children below poverty line (25%)	90 million
Rate of children's allowance	Rs. 50 per child per month
Estimated total cost of the scheme	Rs. 5,400 crores

i) Insurance schemes:	
It is assumed that one member in each family in the unorganised sector will be covered under the agricultural workers insurance scheme or any other	

analogous scheme.

divided by 5)

Estimated number of families 70 million (350 million)

Rate of subsidy
Rs. 750 per policy/family

Rs. 5,250 crores

Total amount of subsidy

- j) **Welfare funds:** It is assumed that the welfare funds will be mostly contributory and self-financing. Where they are to be financed from the exchequer it is assumed that special specific purpose levies will be levied. In

either case it is difficult to estimate the amount required. Therefore, a token provision of Rs.1000 crores is made for the purpose. A summary of the above assessment is given in the following table below:

Estimate of cost of the proposals made in the foregoing report		
Nature of Benefits		Per Annum (Rs. In crores)
1.	National Pension	
	a) Old age pension	3,000
	b) Widows	350
	c) Disabled persons	1200
2.	Equipment grant for 1,00,000 widows	50
3.	Maternity Benefit	1,000
4.	(a) Family Benefit	90
	b) Children's allowance	5,400
5.	Distribution of cloths	1,340
6.	Unemployment Relief	420

7.	Insurance Schemes	
		5,250
8.	Welfare funds and are schemes	1,000
	Total	17,912

8.432 The foregoing table excludes the estimated cost of ongoing schemes in respect of which no change is proposed in money terms, such as the PDS or which are expected to be self-financing such as the ESI.

8.433 A Social Security Fund of India and a Social Security Fund of each State may be set up. The funds should be vested in and be administered by the Central Board of Social Security or the State Board of Social Security as the case may be. Financing of the social security fund should be through contribution and or by levying a tax or cess.

8.434 There will be three kinds of social security schemes: social insurance type of contributory schemes, subsidised insurance/welfare fund type of partly contributory and partly socially assisted schemes and social assistance schemes which will be

wholly non contributory.

8.435 Social Insurance Schemes: In the case of social insurance schemes, every employer of an establishment to which a social security scheme applies, should make a consolidated contribution for the various social security benefits to the employees of the establishment, at the prescribed rate not exceeding 30% of the wage bill or any other amount which may be specified in the law or the scheme as the case may be every month; and every employee to whom the scheme applies, should make a consolidated contribution to be eligible for the social security benefits at the prescribed rate, not exceeding 20% of his wage or any other amount which may be specified in the law or scheme as the case may be. These would be exclusive of existing contributions.

8.436 In the case of persons employed on a casual basis, the following options may be considered:

- (a) Differential rates of contributions may be prescribed.
- (b) Contributions by the workers may be optional while the

contributions by the employers will be compulsory.

- (c) They may be exempted from making any contribution.

8.437 The employees whose actual wages do not exceed the amount prescribed by the appropriate government may be exempted from making any contribution. The loss to the Board due to such exemptions may be made good by the appropriate Government.

8.438 The appropriate Government may, after due appropriation by Parliament or Legislature as the case may be, make such further contributions to the Social Security Fund as it may determine.

Social Assistance Schemes

8.439 In the case of the last two categories of schemes, the rates of contributions and assistance will be determined by making an assessment in each case of the funds required and the resources available.

8.440 The expenditure on social assistance should be shared between the Central Government and the State government at agreed rates.

8.441 For providing social assistance wherever necessary, the appropriate Government may impose a social security surcharge on all or any of the taxes and duties levied by it, and the proceeds of the surcharge after deducting, the proportionate collection charges may be credited to the Social Security Fund.

8.442 When the new economic policy was announced in 1991, the then Union Finance Minister had given an assurance that the new policy would not be implemented on the backs of the poor people and that a social safety net would be created to protect those who would be affected by the new policy. No such social safety net has been created yet. In the meantime, as a result of the globalisation and liberalisation programmes being implemented, lakhs of people have lost their jobs. Quite a few of them have committed suicide not being able to bear the burden of life. Indeed, it is said that the lack of a social safety net is coming in the way of the rapid

implementation of economic reforms. The social security system as suggested above, which is by no means ambitious, and provides for a minimum level of protection required by the people by way of economic support in times of need, also provides valuable services to enable them to organise themselves and to make their presence felt and their voice heard, and generally to empower the poor and the vulnerable to manage their own affairs. We agree with the recommendations made by the Study Group. We are conscious of the fact that the country

can ill-afford a very ambitious plan of social security. Therefore, our recommendations are modest. It may also be kept in mind that the country is spending a sum of 2.4% of the GDP on defence, 0.81% of the GDP on public order and safety, etc. and only 1.8% of the GDP on social security. It has also been stated elsewhere that other developing countries are spending much higher amounts on providing social security. There seems to be no reason why our country cannot spend a little more today.

<p>8.443 To summarise, the social security system envisaged by us is a moderate one. Still, due to the current resource crunch, it may not be possible to implement it immediately in its entirety. Therefore, we suggest that to be more practical and realistic it is desirable that it is implemented in three phases.</p>	
<p>1st Phase</p>	<p>The Bare Minimum which may include retirement and</p>

health security.

2nd Phase This may include unemployment related security.

3rd Phase Other welfare measures may be implemented.

8.444 We will now like to summarise

the recommendations that we have made in the chapter:

a) In order to give a better focus to social security, a more direct approach is called for, especially in the context of the commitments made to the United Nations by ratifying the

Covenant of Social, Economic and Cultural Rights.

- b) A national policy on social security should be formulated with a view to ensuring direction. While evolving the policy, the Constitutional obligations outlined in the Directive Principles of State Policy of the Constitution concerning social security should be kept in view.
- c) We felt that in the Indian context, the term social security should be used in its broadest sense. It may, therefore, be defined as consisting of all types of measures, preventive, promotional or protective, as the case may be, designed to (a) prevent deprivation (preventive measures) (b) assure everyone of a basic minimum income which would be adequate for meeting the basic needs of oneself and one's family or dependents (promotional measures) (c) protect income against loss or diminution due to the occurrences of any contingency including sickness (protective measures). The measures may be statutory or non-statutory, public or private.

The term encompasses social insurance, social assistance, social protection, social safety net and other such terms, as are currently in vogue.

- d) We feel that no single approach, to the exclusion of others, will be adequate to assure Social Security, and the problem will have to be addressed by a multi-pronged approach.
- e) Social Security policy, plans and programmes should be tailored to the needs of the diverse sections of the people, especially those who are vulnerable.
- f) The root cause of social insecurity in India is poverty, and that is largely due to the lack of adequate, or productive and remunerative employment opportunities. The provision of adequate and stable income will enable the poor to satisfy their basic needs and, thereby, their other security needs as well. The State has to assume the responsibility for providing basic social security, especially in respect of those contingencies which will be difficult for individuals to cover without assistance from the State. The

State also has the responsibility to underwrite the means of livelihood to those who cannot work and earn their living due to childhood, old age, or other infirmities.

- g) From the point of view of social security, the first priority has to be given to people of the last category, namely the old, the infirm and the young persons who are destitute and constitute a charge on the State. Admittedly, social security for this class of people has necessarily to be provided by means of social assistance. The unemployed come above this class. The priority need of this class of people is employment and a source of income. The entire process of development planning has to be geared to meet this need by means of expanded economic activity and employment-oriented growth. This is, however, a long-term goal. One cannot wait until this goal is reached. In the short term therefore, in order to prevent starvation for want of purchasing power, it will be necessary to undertake employment schemes, in the

nature of public works, to provide productive employment and income to the unemployed. Next above this class, are the people who are employed on casual, temporary or intermittent basis. They need continuity of employment. Various de-casualisation measures would be relevant in this context. The self-employed persons also belong to the same class. They too need protection of their employment against the vagaries of nature and the market. Above all these classes are the people who are in regular employment with assured incomes. They only need protection of their income against loss or diminution due to the occurrence of contingencies.

- h) All people, irrespective of the class to which they belong, need food security, health security, old age security, provision of clothing and shelter, if they are below the poverty line and cannot, therefore, make their own provision.
- i) Women need maternity protection: They also need protection against widowhood,

desertion and divorce. Special measures would have to be taken to increase their participation in gainful employment and to raise their economic status. Children need care and nutrition. Old people also need care especially when they are ill, and in need of emotional support.

- j) The social security policy/plan for India may be based on principles of: i) classification ii) participation iii) equity and efficiency iv) occupation – specific, area-specific or need-specific nature v) gender vi) adequacy and vii) unified administration.
- k) On the question of evolving an integrated and comprehensive system of social security in India, one needs to have a broad vision and develop a structure which will encompass the whole population with diverse needs. It cannot be a single scheme but a combination of schemes catering to the needs of different target groups with different needs and different

paying capacities.

- l) The system envisaged by us comprises of four tiers, namely:
 - i) Social assistance programmes financed wholly by taxes and from the exchequer. These will mostly have to be area-based schemes.
 - ii) Schemes which are partly contributory and partly subsidised by the State
 - iii) Wholly contributory social insurance schemes, and
 - iv) Voluntary Schemes. Destitutes and people below the poverty line who cannot make any contribution for their security may be covered under the tax based schemes in the first tier. Workers in the unorganised sector who have some contributory power but cannot be self-sufficient may be covered under the subsidised schemes in the second tier. Those, who either by themselves, or jointly with their employers, can make adequate contribution to the schemes so as to be self-sufficient, may be covered under social schemes in the third tier. Others who are comparatively affluent and can make their own provision for

meeting the contingencies or risks as they arise, may be covered under voluntary schemes which the new insurance companies can provide.

Social Security for workers in the Organised Sector

- a) We feel that while it may not be possible to ratify all the ILO conventions relating to social security immediately, it is desirable to plan for their eventual ratification by upgrading laws and practices gradually. It is suggested that, at the minimum, steps should be taken to ratify the social Security (Minimum Standards) Convention (No. 102 of 1952) within a reasonable time frame.
- b) Social Security is included in the Concurrent List of the Constitution. (List III of the Seventh Schedule). The existing entries at Items 23 and 24 of the List appear to make a distinction between Social Security and Social Insurance on the one hand, and between Social Security and Labour Welfare Measures including Provident Funds, Employees' liability, workmen's compensation, old age pensions and maternity benefits on the other. It would be more rational to modify these entries as follows:
- c) Item 23 may be re-worded as 'Right to work, employment, unemployment including unemployment benefits and welfare of labour including wages safety, health, work environment and other conditions of work.
- d) Item 24 may be re-worded as ' Social Security including social insurance, employers liability, social safety nets and other forms of social assistance; medical care, sickness, workmen's compensation; invalidity, maternity, mother and child care, family allowances, old age, and survivors' benefits.
- e) There is a need for a strong agency at the Centre which will be concerned with horizontal and vertical coordination of social security planning, review of policy and implementation of

programmes. We recommend that a separate Ministry of Social Security or a Department of Social Security should be set up preferably within the Ministry of Labour.

- f) A high-powered National Social Security Authority of India should be created for formulating a policy on social security and coordinating various programmes at the Central and State levels. We have recommended that the Ministry of Social Security or the Department of Social Security should provide secretarial support to the Authority.
- g) A Central Board of Social Security at the Centre and a State Board of Social Security in each State should be set up as autonomous bodies with professional experts. These Boards would have the responsibility for the administration of social security in respect of the establishments for which they are the appropriate government. Alternatively, the Central Board could be responsible for the administration of schemes in the

organised sector while the State Boards would be responsible for the schemes in the unorganised sector including those outside the labour market.

- h) To begin with, a functional integration of the various organisations administering social security schemes (ESIC, EPFO, etc) in the organised sector should be attempted by constituting the following divisions in the Central Board of Social Security:
- Medical benefits,
 - Sickness, maternity and employment injury benefits,
 - Old age, invalidity, survivors' benefits including provident fund, gratuity, family benefits and emergency expenses,
 - Unemployment Insurance and related services,
 - Common services, namely registration, collection of contribution, inspection, penalties etc.
- i) An administrative merger may be attempted later, if considered necessary, after review.

- j) The mechanism for implementation of social security programmes should be based on two key principles.
- It should be as decentralised, and as close to the beneficiaries as possible; and
 - It should be a tripartite or multipartite mechanism, involving workers, employers, Governments, and other stakeholders.
- k) Area Level Committees should also be constituted on a tripartite or multipartite basis as the case may be. Their functions will include;
- Identification of the beneficiaries and issuing identity cards to them;
 - Collection of contributions.
- l) For functional integration, we need to adopt uniform definitions of common terms such as employer, employee, establishment, wages etc. This issue has been dealt with in detail in the Chapter on Review of Laws.
- m) The Social Security System in India should ultimately aim at providing social security protection to all workers against all risks or contingencies within a specified time frame (say ten years), so that at the end of the period, the coverage will be universal and comprehensive.
- n) To be comprehensive in terms of benefits, such a system should provide unemployment benefits, children's allowances and emergency expenses which are not provided at present.
- o) To make the system universal, it will be necessary (a) to make it applicable to all classes of industries and establishments without any distinction, (b) to remove wage ceilings, and (c) to remove the threshold limit (on the number of workers) for coverage. The removal of the threshold limit may be achieved progressively within the time frame that has been specified.
- p) All employers' liability schemes (under Workmen's Compensation Act, Maternity Benefit Act and Payment of Gratuity Act) may be converted into contributory social insurance

- schemes so that the employers may be able to discharge their liability by payment of nominal contributions.
- q) After functional integration of various schemes as recommended earlier, every employer may be required to maintain only one set of records and submit only one return in respect of all social security schemes. It would enable one inspector to inspect on all the schemes. There should not be harassment by inspectors or the imposition of extra-administrative burdens to file returns.
- r) Every employer and employee may be required to make a single contribution for the provision of all the benefits. A ceiling may be prescribed in law for such contributions in terms of percentages of gross wages. The actual rates may be determined from time to time actuarially.
- s) As the capacity to pay contributions varies, different plans providing for different rates of contributions and different packages of benefits may be drawn up to suit different classes of establishments / employees. In particular, the liability of small and tiny industries may be minimised. Similarly, persons employed on a contract or temporary basis may be covered for limited benefits such as health care and old age benefit at less cost.
- t) Every worker covered under the system may be provided with a card with a unique social security number containing details of wages, employment, employer, contributions and entitlement to benefits. The card will enable the employee to avail of the benefits wherever employed or living – at post office bank counters or other bank counters or Government treasuries.
- u) An integrated, single window approach may be devised for the delivery of services through area committees. The service of trade unions, self help groups, NGO's and other people's organisations may also be utilised for the delivery of services and for overseeing the performance of the service agencies.
- v) The administration of medical

- benefit may be taken over by the Central Board of Social Security. It may set up State level organisations for the management of hospital dispensaries and diagnostic centres.
- w) The facilities available in the government and in the private sector should be utilised for extension of the benefit.
- x) The extension of the schemes for employment injury and maternity benefits may be delinked from the arrangements for providing medical benefits.
- y) The establishments that have, or wish to make their own arrangements for providing social security benefits to their employees may be granted exemptions subject to control and regulation by the Central Board of social Security so that the facilities available with the Board may be better utilised to extend the benefits to those establishments which do not and cannot have such arrangements.
- z) All provident funds, whether established under the Provident Fund Act, 1925 or through other laws, may be brought under the control and regulation of the Board.
- aa) All the existing pension schemes may be integrated in the Employees Pension Scheme with a fixed mandatory contribution by all employers so as to assure every employee a minimum basic pension subject to adjustment against inflation. For those who can make higher contributions the Board may offer different pension plans on a defined contribution basis.
- bb) In view of the current trend for premature withdrawal of the balances in the provident fund for a variety of purposes, the contribution to the provident fund scheme may be made in two parts consisting of a fixed mandatory rate of contribution, with no provision for premature withdrawal and a variable optional rate of contribution so as to reduce the transaction cost. The tax concession available on contributions to the provident funds may be withdrawn in respect of the amounts withdrawn

- prematurely.
- cc) In an integrated system of social security, there would be no need or justification for distinguishing between employment injury benefit and invalidity benefit, incapacity to work and to earn one's livelihood being the common factor and the sole criterion for the benefits, the cause or source of the incapacity, where and how the incapacity occurred, may not be relevant. All injuries or deaths arising due to the involvement in work occurring in the course of employment or otherwise, may be covered with a uniform rate of benefit, doing away with the existing duplication of the benefits being paid in case of employment injury under both the ESI or WC Schemes and the Employees pension schemes.
- dd) A social Security Fund may be established. It will be vested in the Board. All contributions and other receipts on account of social security may be credited to the Fund, and all payments on account of social security paid out of it. The Board will be fully responsible for the administration of the Fund subject to such guidelines as the Government may lay down. The Board may engage financial experts for the management of the Fund and the investments. Alternatively, the entire surplus balances in the Fund may be made over to the Government as and when they arise, against index bonds with a minimum real rate of return protecting the corpus against inflation.
- ee) The expenditure on social assistance should be shared between the Central Government and the State Government at agreed rates.
- ff) For providing social assistance wherever necessary, the appropriate government may impose a social security surcharge on all, or any of the taxes and duties levied by it, and the proceeds of the surcharge after deducting the proportionate collection charges may be credited to the Social Security Fund.
- gg) The total estimated cost for the proposals made in the chapter would be around 18,412 crores.

This includes the cost of ongoing schemes.

hh) Social security institutions around the world are engaged continually in improving the delivery of services and reducing their administrative costs by adopting modern technological tools to ameliorate their management practices in the face of mounting pressures. Many of them have also undertaken to re-engineer their services. Similar exercises are necessary in India too where complaints on the working of the ESI and EPF schemes abound.

ii) It is reported that many social security institutions, in their effort to match their services with those of private sector agencies are experimenting with outsourcing the services. Some Governments like those of Australia and U.K have established semi-autonomous agencies to deliver direct services to social security clients. Although India has established such agencies, they have not been given the necessary autonomy or authority. The Administrative arrangements of

these agencies need to be reviewed and reformed. They could also be permitted to subcontract their services to voluntary organisations.

jj) Many poor and illiterate beneficiaries of social security shy away from approaching the social security institutions due to fear and ignorance. A sympathetic Public Relations Network should be built into the system. One of the functions of this Network would be to educate people about the schemes and how they can avail of the benefits, and to create awareness of their rights.

THE UNORGANISED SECTOR

a) Workers in the unorganised sector comprise of:

- Those employed in small establishments outside the purview of the current social security legislation,
- Those who are employed on a casual or intermittent basis without any security of employment or income and
- The self-employed.

In addition, the unemployed and the

unemployable (the aged, the handicapped etc) also need social security. The needs of each of these categories are different.

b) Once the integrated, comprehensive and universal system of social security recommended by us for the organised sector comes into existence, workers in the small establishments will also be covered progressively by lowering the employment thresholds for coverage.

c) Pending that, coverage may be extended, by amending or acting on each existing Act

- Establishing institutions similar to the ESIC or the State level to cover smaller establishments.
- Decentralising the administration of the EPF Scheme and establishing State Level Boards with the mandate to extend the application of the scheme to all establishments.
- Converting the employment injuries benefits under the WC Act into social insurance schemes and injuries extending the benefits to all types of work.

- Converting the maternity benefits under the MB Act into a social insurance scheme and extending the benefits to all classes of establishments

- Making the payment of gratuity a compulsory insurance scheme covering all establishments.

d) In the case of persons employed on a casual or intermittent basis, the need is for employment security and continuity of employment through appropriate decasualisation measures. The most successful decasualisation measure is that of Dock Labour Boards, Mathadi Boards and Security Guards Board in Maharashtra and the Head-load Workers Welfare Fund Board in Kerala. Similar boards may be constituted for head-load workers, railway porters, security guards, beedi workers, building workers (including brick kiln workers) fish processing workers, and other classes of home based workers, rag pickers, and so on).

e) Welfare funds can be an important model for providing

social security of the workers in the unorganised sector. Welfare funds may be set up for each of the major employments with large number of persons employed, such as:

- Agriculture
- Building and construction industry, including the brick kiln industry;
- Beedi industry;
- Handlooms and power looms;
- Fishing and fish processing;
- Toddy tapping;
- Head load workers;
- Railway porters;
- Agarbatti workers;
- Rag pickers and other scavengers;
- Rickshaw pullers;
- Salt workers;
- Carpet weavers; and
- Leather workers;

f) As regards other minor employments, it might not be practical to set up a Welfare Fund for each such employment. It would be necessary to bring them under

an umbrella type of legislation with a common Welfare Fund.

g) The Welfare funds should be contributory but the contributions that workers can make to such funds will necessarily be small, and will not, by themselves, without a contribution from either the employers or the Government, be adequate to provide any meaningful social security. The employers will therefore, have to make more significant contributions to the Welfare Funds. (Collection of these contributions will require effective machinery). If welfare activities are combined with the regulation of employment through Welfare Boards, whereby the employers as well as workers would be required to register themselves compulsorily and also to obtain licence and permits, it would be possible;

- To collect contributions;
- To ensure regularity of employment;
- To fix and revise wages on a rational basis compensating the workers for increase in the cost

- of living and also giving them the benefit of higher productivity and profitability;
- To provide for all the essential welfare benefits.
- h) Alternatively, fund financing may be done by levying a tax in the form of a cess or surcharge at a rate which would yield sufficient revenue. Where a separate Welfare Fund is set up for a particular employment, it might be easy to identify the source of the tax revenue, but in the case of a common fund, the source of revenue would have to be of a general nature.
- i) If a tax of a general nature were to be levied for financing social security of the large majority of workers in the unorganised sector, it might be more appropriate to adopt the area based approach recommended by the ILO which is akin to the system obtaining in Australia or New Zealand, or the system that was recommended for the U.K. by Lord Beveridge.
- j) The only social security provision in the conventional sense made in the welfare fund laws is health care. The Welfare Funds can, however, be transformed into instruments of social security if they can be restructured suitably as indicated below:
- The coverage of the funds should be expanded,
 - The range of benefits provided under the welfare funds should be broadened,
 - The financial arrangements for providing benefits should be modified, and
 - The administration of the funds should be decentralised and made participatory.
- k) Area-based schemes appear to be eminently suitable for application to the workers in the unorganised sector, who are too numerous to be covered under occupation based schemes. We suggest that it may be tried out on an experimental basis in some States before extending it to other States.
- l) Another model for providing a measure of social security for workers in the unorganised sector is subsidised insurance. A number of such insurance schemes have been initiated

through the LIC/GIC, and some by the State Governments. To make these schemes popular, the Insurance Companies may be required to develop two or more plans providing coverage for the major risks faced by the people namely health, life, widowhood, accident, and loss of assets, etc. with a uniform rate of subsidy. The services of peoples' organisation and NGOs may be used to promote these schemes.

m) A separate organisation/facility may be set up to administer all social insurance schemes, and the insurance companies licensed by the IRDA which may be asked to make appropriate contributions to this organisation instead of directly trying to fulfil their obligations on social insurance contained in the IRDA regulations.

n) The current trend towards poverty eradication through social mobilisation, i.e., organising the unorganised workers, needs to be encouraged and expanded. Unorganised workers may be mobilised and organised to form:

- Self help groups focussing on

savings and credit and/or producing goods, crafts based, salt, minor forest produce, processing agricultural produce, etc.

- Local workers' economic organisations which are *taluk* or preferably, district level associations and federations of self help groups;

- District level cooperatives producing goods and services; e.g. milk cooperatives, land and agro-forestry based cooperatives, childcare and midwives cooperatives, etc.

- Village based mahila mandals or yuvak mandals or kisan sanghs.

o) Once organised into small, medium or large workers' organisations they could be actively involved in:

- The Provision of credit,
- Micro insurance by linking with savings and credit supplying groups or organisations and
- Social security through the area based approach.

These local decentralised organisations would be involved in district level goal setting for social

security, the implementation of all social security programmes (both work based and area based) and monitoring of these programmes.

p) In the cases of self-employed persons, the primary need is protection of their productive functions against natural calamities. The Crop Insurance Scheme introduced by the Central Government has to be put on a firm footing to cover all farmers and all crops against all contingencies. It is also necessary to design appropriate social insurance schemes with adequate benefits to give protection to self employed workers like milk producers, boatmen and fishermen.

q) It is necessary to provide health care, old age and disability protection to the self-employed. Either the existing ESI and EPF/ EPS schemes may be suitably amended to provide such protection against a composite contribution, or separate insurance schemes may, as appropriate, be devised for the self-employed on an occupational or area basis. As in the case of the unorganised

sector workers, an area based approach may be tried out for the self-employed.

r) Micro-insurance schemes, self-help groups and mutual benefit associations have a role to play in providing social security cover to the self-employed. However, in order that the participants in such schemes are not cheated by unscrupulous elements, they would have to be placed under a regulatory mechanism.

s) For the unemployed, the basic need is employment on a continuing basis. Globalisation has brought in new problems of lay off, retrenchment, unemployment and shrinkage of employment opportunities. The Sampoorna Grameen Rozgar Yojna, introduced to provide additional employment and food security in the rural areas, is a step that is described as the precursor to a National Employment Assurance Scheme. We feel that a National Scheme guaranteeing employment will not be unfeasible, and should be given a fair trial.

t) While promoting wage

employment, the States should adopt and effectively implement a rational minimum wage policy.

u) It is the responsibility of the state to provide subsistence by an appropriate social security measure to those who have no source of income. The Central Government should consider introducing a National Scheme of Unemployment Relief to the unemployed subject to a means test. The rate of relief may be fixed at half the floor level minimum wage fixed by the Ministry of Labour. At the current rate this would yield a relief of Rs.200 per month.

v) The National Social Assistance Programme started in 1995, provides only a few benefits, namely, old age pension, maternity benefit and family benefit. The programme should ensure that all people who are not able to work and earn their living, have the necessary means of livelihood and that their basic needs such as food, clothing and shelter are met adequately.

w) The assistance provided under

NSAP should be linked to other social assistance packages for poverty alleviation and provision of basic needs so as to supplement the assistance provided. Apart from NSAP, there are several schemes under which social assistance is provided, for various purposes such as:

- PDS including Annapurna and Antyodaya Anna Yojana Schemes,
- Schemes under which supplementary nutrition is provided to women and children including the Midday Meal Scheme.
- Housing schemes for economically weaker sections, including schemes for old age homes, orphanages, homes for deserted women, beggars, etc.,
- Schemes under which assistance is provided for self employment,
- Schemes under which cash assistance is given to the unemployed,
- Schemes under which old age

disability and death benefits are provided under subsidised insurance schemes,

It is desirable to integrate all such programmes so as to assure everyone a minimum range of benefits and to avoid an overlapping of the benefits provided under different programmes. The integrated National Social Assistance Programme should be placed on a statutory footing so as to make it binding on the Government/s.

- x) The National Old Age Pension Scheme may be redesignated as the National Pension Scheme and extended to (i) all men and women of age 65 or above (ii) physically handicapped people with specified degrees of incapacity, (iii) mentally sick people, (iv) those suffering from leprosy (v) beggars (vi) widows and (vii) other indigent people. The scheme would be subject to a means test. The old age pensions in many States cover some of these categories but there is no uniformity in the eligibility criteria or the quantum of benefits. A national standard needs to be established for such benefits too.
- y) The rate of old age pension under the National Old Age Pension Scheme is Rs.75 per month. Considering that the floor level minimum wages fixed by the Central Government meant for three consumption units is around Rs.45 per day the cost of subsistence of one consumption unit comes to Rs.15 per day or Rs.450 per month. Granting that a pension may not exceed 50% of a wage, the minimum pension should not be less than Rs.200 at current prices. The current rate of pension is far below this level and needs to be enhanced.
- z) The rate of pension was fixed in 1995. As there has been a considerable rise in the consumer prices since then, the real value of the pension has been eroded. There is, however, no mechanism to adjust the pension to the rise in the consumer price index. It should either be linked to the index or revised periodically so as to maintain its real value.
- aa) The income criteria for eligibility for pensions should be reviewed

and revised on a uniform basis. As the old age pension is now admissible under a national scheme there is no justification to exclude any person from the benefit on grounds of domicile.

- bb) When the benefits are subject to a means test, imposition of numerical and financial ceilings would appear to be discriminatory as they exclude from the benefits, those who are eligible for the benefits but are denied the same for the reason that they are above the ceilings. The ceilings should therefore, be removed. The benefits should be paid to all persons who qualify for them under the Scheme.
- cc) The population of the elderly has been rising. The budget provision for the old age pension scheme should be increased from time to time, corresponding to the increase in the population of the elderly. The selection of persons should be made by local authorities, and all eligible persons should be paid pension as due by the local authorities.
- dd) A national scheme may be drawn up for providing pensions

to widows on the following lines:

- Widows may be entitled to old age pension at the age 60 and above,
 - Widows between the age of 18 and 60 may be paid pension for a limited period of two years during which period they may be given training to enable them to take up employment.
 - During this period they may also be paid a supplementary pension for two children for their maintenance.
 - ∅ At the end of the training, they may be paid an equipment grant.
- ff) A national scheme may be drawn up for the payment of a pension to all the physically disabled persons who are, *ab initio* incapable of doing any work and earning their livelihood or who have lost their earning capacity by more than 70 % due to any accident or disease. The rate of pension should be the same as suggested above for the elderly. The lack or loss of earning capacity may be

- assessed by the same procedure as prescribed for workmen's compensation under the Workmen's compensation Act or disability benefit under the ESI Act.
- gg) Some States have special pension schemes for journalists, artists, agricultural workers and others. It is suggested that all such schemes be integrated with the National Pension Scheme with standardised components comprising of an old age pension, invalidity pension or disability pension and a family pension including a widows' pension, and a children's pension or allowance.
- hh) The National Maternity Benefit Scheme may continue to be applicable to persons below the poverty line. The scheme should, however, be extended to cover all women within the age group 18-50, whether employed or not, other than those covered under the ESI or Maternity Benefit Act.
- ii) The amount of benefit provided now (Rs.500 per child birth) is inadequate, and should be raised to Rs.2000 per child.
- jj) Adequate arrangements may be made by the Governments at the Central and State levels to provide day care services for children in the age group 0-5 in the form of crèches or otherwise, complementary to the National Maternity Benefit Scheme, to enable all working women to leave their children under proper care in a safe environment removing the burden from the shoulders of their siblings. There should be arrangements for nutritional support for lactating mothers and nursing children.
- kk) A national housing scheme may be introduced, integrating various housing subsidy schemes.
- ll) A uniform policy should be adopted in providing subsidy for housing.
- mm) A National Cloth Supply Scheme may be introduced for the supply of cloth free of cost or at a subsidised price to the destitute.

- nn) Survivors' benefits are provided under the National Family Benefit Scheme and other schemes like the Jan Shree Bima Yojna. We recommend that the National Family Benefit Scheme should be linked to the National Pension Scheme (suggested above) and the Jan Shree Bima Yojna, rationalising the quantum of benefits.
- oo) Every person below the poverty line, whether employed or not, may be paid an allowance for the maintenance of children and to enable them to send children to school and not to work.
- pp) A national disaster relief scheme may be drawn up as a part of the NSAP to provide assistance to persons affected by national calamities on a rational basis.
- qq) Land Reforms are important social protection measures. The ongoing programmes should be implemented speedily.
- rr) Basic health security has to be provided by the primary health care infrastructure. It may be supplemented by one or more of the various other options such as health insurance.
- ss) In order that the elderly people keep healthy, it is necessary that they should remain gainfully active. Their services should therefore, be utilised in various activities of the community, such as manning childcare centres cultural clubs, vocational training centres, etc., for which they may be paid appropriate remuneration, or allowances or honorarium.
- tt) For the disabled, it is necessary to prepare a comprehensive plan of action covering, *inter alia*, the following aspects :
- Removal of the disabilities, whenever possible, should be the basic objective of any such plan. Where disabilities cannot be removed, measures should be taken to bring disabled persons into the mainstream by providing them appropriate education and skill training.
 - Provision of adequate employment opportunities should be the second priority in any scheme for the welfare of the disabled.
 - The Peoples With Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995 already provides for a

3% reservation in identified posts in all government and public sector offices for disabled persons. Steps should be taken to enforce this provision strictly. The feasibility of extending this requirement to employment in private establishments, as in Germany may be considered.

- But it may not be possible to provide employment to all the disabled as their capacity to work would not be uniform. In cases of persons who cannot work, the State should provide a safety net by providing them food, clothing and shelter at its own expense.
- uu) The feasibility of opening District Rehabilitation Centres in all the districts and in all the States and Union Territories may be considered. It would be desirable to route all social assistance for disabled persons through such centres.
- vv) It is necessary to develop appropriate social health insurance schemes for the elderly and these may be linked to pension insurance.

With the growth of the population of

the aged, the associated problem of caring for the aged is becoming increasingly important. Lately, it has been systematised in the form of social care insurance as a part of social security. It has been reported that in 1991, in Germany, approximately one-third of the social security expenditure was devoted to care provision. The concept of care dependency is distinct from treatment for illness and covers help with daily tasks that do not fall under any medical treatment plan, e.g. personal hygiene, feeding, and mobility of housework.

xx) The normal and preferred arrangement for taking care of the aged is to encourage them to live with their families. Where there are either no families, or the families cannot look after them, they would have to be provided with institutional care. It would be necessary to design appropriate schemes for the purpose.

yy) One cannot be content with the setting up of 'homes.' The quality of service provided in these homes needs to be monitored. The existing arrangements in this regard are less than adequate. It is, therefore, necessary to establish a well-organised regulatory system to

ensure that standards are maintained and exploitation avoided.

zz) In spite of several schemes having been designed for promoting and protecting the interests of cultivators, reports of suicides by several agriculturists due to their inability to cope with the loss of income for various reasons including crop failures and the after-effects of globalisation, are appearing in the press. It is, therefore, obvious that the various protective schemes drawn up by the Government need to be strengthened and enlarged to cover those who are outside their umbrella.

aaa) The Union Finance Minister, in his budget speech for the year 2000-2001, announced a proposal to introduce a new Social Security Scheme for agricultural workers called the Khetihar Mazdoor Bima Yojana. We welcome the initiative taken by the Government in introducing the Scheme

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(Khetihar Mazdoor Yojana). It seems, however, to be a departure from the original proposal to establish an employment board and a welfare fund for the workers. We suggest that the proposal to set up a welfare fund may not be given up.

bbb) There are several occupational groups sharing the socio-economic conditions of agricultural workers. To target a single group for such a scheme may be discriminatory. We, therefore, suggest the extension of the scheme to other workers too in the unorganised sector.

ccc) The initiatives taken by the Central Government to eliminate the loathsome practice of manual handling of night soil and filth are commendable. We recommend that effective measures be taken after discussion with the representatives of the States to wean the people engaged in that profession and to rehabilitate them in other employments. There is a proposal to establish one or more welfare funds for rag pickers. We suggest that the feasibility of setting up similar welfare funds for those engaged in scavenging may be considered.

