Socio-Economic Security in the Context of Pervasive Poverty: A Case Study of India

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Contents

List of tables

List of graphs

List of boxes

List of abbreviations

ANM	Auxiliary Nurse Midwife
BIFR	Board of Industrial and Financial Reconstruction
CPSUs	Central Public Sector Units
DGFASLI	Director General of Factory Advice Service and Labour Institutes
DWCRA	Development of Women and Children in Rural Areas
EAS	Employment Assurance Scheme
EDGS	Education Guarantee Scheme
EGS	Employment Guarantee Scheme
EHN	Education, Health and Nutrition
EPF	Employees Provident Fund
ESI Act	Employees State Insurance Act
ESIS	Employees State Insurance Scheme
GDP	Gross Domestic Product
GIC	General Insurance Corporation
GOI	Government of India
HDFC	Housing Development Financial Corporation
IAMR	Institute for Applied Manpower Research
IAY	Indira Awas Yojana
ICSSR-ICMR	Indian Council of Social Science Research- Indian Council of Medical Research
ILO-SAAT	International Labour Organisation-South Asia Multi-Disciplinary Team
IRDP	Integrated Rural Development Programme
JRY	Jawahar Rojgar Yojana
MAP	Medical Aid Plan
MBA	Maternity Benefit Act
MCGM	Municipal Corporation of Greater Mumbai
MDM	Mid-Day Meal Programme
MHC	Mini Health Care
MNP	Minimum Needs Programme
MWS	Million Wells Scheme
NABRAD	National Bank for Agriculture and Rural Development
NCAER	National Council of Applied Economic Research
NFBS	National Family Benefit Scheme
NFHS	National Family Health Survey
NGOs	Non-Governmental Organisations
NMBS	National Maternity Benefit Scheme
NOAPS	National Old Age Pension Scheme
NPE	National Policy on Education

NREP	National Rural Employment Programme
NRF	National Renewal Fund
NRY	Nehru Rojgar Yojana
NSAP	National Social Assistance Programme
NSDP	Net State Domestic Product
NSSO	National Sample Survey Organisation
PDS	Public Distribution System
PMRY	Prime Minister's Rojgar Yojana
RLEGP	Rural Landless Employment Guarantee Programme
SC	Scheduled Caste
SEWA	Self-Employed Women's Association
SGSY	Swarna Jayanti Gram Swarojgar Yojana
SH	Streehitakarni
SHASO	Scheme of Housing and Shelter Upgradation
SHGs	Self-Help Groups
SICA	Sick Industrial Enterprises Act
SPSUs	State Public Sector Units
ST	Scheduled Tribe
SUME	Scheme of Urban Micro Enterprises
SUWE	Scheme of Urban Wage Employment
SWRC	Street and Working Children
TRYSEM	Training for Rural Youth for Self-Employment
UPE	Universal Primary Education
VHS	Voluntary Health Services
VRS	Voluntary Retirement Schemes
WCA	Workmens' Compensation Act
YMCA	Young Men's Christian Association

Abstract

The concept of social security, conventionally defined in terms of contingency related measures, is confined largely to workers employed in the formal sector. The definition is inadequate in situations where employment in the formal sector is limited and poverty is widespread. This paper defines socio-economic security from a wider perspective as constituting measures that enhance social capabilities, ensure economic security and enable the vulnerable sections of the population to survive. When viewed from this framework, the provision of socio-economic security in India has been unsatisfactory. It is argued that the Government and the community constitute the two pillars that need to be strengthened for meeting the genuine need for socio-economic security of the masses in India, particularly during the period of economic reforms.

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Introduction

The definition of social security has been a contentious issue with several connotations of the term being prevalent in the literature on the subject. The interpretation given to the term assumes overwhelming importance as it shapes the type of public policy that is implemented in a country. The issue becomes particularly problematic when the concept is applied to widely diverse situations in differing socio-economic contexts.

Issues pertaining to social security have been the centre of attention whenever the world order has been subject to turmoil and change. It was a topic of considerable discussion during the inter-world war period when deliberations among leading politicians of the time led to the evolution of the modern system of social security. It is significant that the issue re-emerged in full strength around the 1990s when several countries initiated economic reforms comprising stabilisation, structural adjustment, privatisation and globalisation. The restructuring of the industrial sector in reforming countries and the consequent change in levels as well as structure of employment[1] generated intense debate among researchers as well as leading international development agencies[2] regarding the meaning of the term social security and its connotations. The implementation of economic reforms in developing countries, particularly those of South Asia which are characterised by incomplete structural transformation, high levels of poverty and low quality of employment, led to the view that social security should be concerned primarily with provision of income security, safety nets and social protection to workers. The debate on the definition and scope of social security is reminiscent of the inter-war years when similar issues were to the forefront, though the socio-economic characteristics of the economies that are now discussing these issues as well as the global environment within which they are being

[1] One of the features of the changing structure of employment has been increasing emphasis on labour flexibility. The main characteristic of such flexibility is 'the speed of adjustment to changes in production and patterns of labour use and adaptability and availability of workers for the type of production taking place' (Standing, 1986, p. 88). Labour flexibility could undermine the interests of workers, as advocates of labour flexibility 'seem intent only on repealing hard-won protective legislation, forcing down wages, dismantling national negotiating procedures and strengthening employers' control over their workforce, (Standing, 1986, p.88). The convergence of interest on the subject is evident in the focus of the International Labour Organisation (ILO), World Bank and the United Nations' Development Programme (UNDP) whose annual reports for the year 2000 deal with the issue either directly or indirectly. The ILO chose income security as the theme for the World Labour Report (ILO, 2000) whereas the World Bank in the World Development Report (2000) voiced its concern over the persistence of poverty and discussed strategies to alleviate it. It identified the lack of security as an important deprivation in this context. The concern expressed by these organisations has been complemented and extended by the UNDP whose focus in the Human Development Report (UNDP, 2000) has been on human development and human rights, which include the rights of workers as well.

[2] The proportion of population below the officially declared poverty line in 1993/94 was estimated to be 36 per cent (Government of India (GOI), 1997). The poverty line was fixed as per the recommendations of the Task Force on Minimum Needs and Effective Consumption Demand. The number and proportion of poor in India is estimated on the basis of the income that would be needed to provide each individual a minimum of 2,400 calories of food intake per day in rural areas and 2,100 calories per day in urban areas. At 1973-74 prices, this translates into per capita monthly expenditure of Rs.49.09 in rural areas and Rs.56.64 in urban areas (Chelliah and Sudarshan, 1999).

voiced, are substantially different from the situation that prevailed more than half a century ago.

It is in the above context that we undertake to review issues pertaining to social security in India. Apart from being a large country in terms of population, India also has a considerable proportion of the poor still below the officially declared poverty line. The ongoing programme of economic reforms[3] has meant considerable restructuring of the manufacturing sector leading to changes in the level as well as conditions of employment. The Planning Commission, being concerned about the equity aspects of economic growth, declared that the focus of the Ninth Plan (1997-98 to 2001-02) would be on 'Economic Growth with Social Justice and Equity' (GOI 2000). The Government of India, for its part, in addition to ratifying the recommendation of the Planning Commission and being a party to the decision to focus on equity dimensions of economic growth, initiated more concrete action on the issue. A high level Task Force on Social Security was set up by the Ministry of Labour, 1997, which submitted its report in May, 2000 (GOI, Ministry of Labour, 2000).

This paper is organised in three parts: Part I is devoted to analytical aspects relating to the definition and scope of the terms social security and socio-economic security and contains two sections. Section 1 discusses briefly the evolution of the concept of social security and the various connotations associated with the term. Section 2 sets out an analytical framework that is relevant to the context of developing countries with pervasive poverty.

Part II applies these concepts to the Indian context and examines the provision of socio-economic security by the government as well as community based organisations. Section 3 provides outline of the structural conditions within which issues pertaining to socio-economic security need to be considered in India. Section 4 examines, through the prism of our analytical framework, the provision of socio-economic security in government policy as reflected in various official documents. Section 5 sets out the broad policies implemented by the government to enhance the social capabilities of individuals through the provision of education, health and nutrition. Section 6 examines measures to promote economic security, mainly the measures taken by the government to augment the asset and employment levels of households below the poverty line. In section 7 we examine the status and trends in the provision of statutory measures of social security that are implemented in the country for registered manufacturing firms as well as schemes for workers in mines, plantations and other occupations. The data are examined over a 25-year period ranging from 1970/71 to 1994/95. In section 8 we outline the main schemes of social assistance implemented by the government, while section 9 discusses some innovative programmes undertaken by various community based non-governmental organisations to provide socio-economic security aimed at enhancing the income levels of households as well as social capabilities of its members.

Part III highlights the implications of the analysis for the provision of socio-economic security in developing countries.

[3] Economic reforms, initiated in India in July 1991, included the standard package of measures comprising stabilisation and structural adjustment.

PART I: DEFINITION AND SCOPE

1. A conceptual overview

1.1 Evolution of the definition of social security

In influential documents like the Beveridge Committee Report (1942), social security was defined rather axiomatically as "Freedom from Want".[4] Though this was the original, the actual emphasis was more in tune with the contingency oriented approach: social security was a term that was used to denote the securing of income in place of regular earnings when such earnings were disrupted due to contingencies such as unemployment, sickness or accident. It also included the provisions made for retirement through age, against loss of support by the death of the breadwinner and meeting of exceptional expenditures such as those connected with birth, marriage and death. However, in actual implementation, social security provision was restricted to only three measures, viz., children's allowances, comprehensive health and rehabilitation services, and maintenance of employment which implied avoidance of mass unemployment (Beveridge Committee Report, 1942, p.120).

The next step in the development of the concept emerged from the efforts of the International Labour Organisation (ILO), which in an attempt to assess the costs of provision of social security, sought information on social security systems from member countries. The ILO specified that in providing such information, consideration was to be given only to systems set up by legislation and administered by public, semi-public or autonomous bodies unless the scheme was based on civil liability of the employer for employment injuries. Practical difficulties in arriving at a common measure of such security across countries led to the identification of social security provision heads on which the social security departments of public bodies incurred expenditures. The results of the enquiry on costs of social security were published in 1952 at the time of the 35th session of the International Labour Conference of the Social Security (Minimum Standards) Convention (No. 102), which is the single most authoritative definition of social security (Parrott, 1992).

Thus, the term social security has been used to refer to "the result achieved by a comprehensive and successful series of measures for protecting the public (or a large sector of it) from the economic distress that, in the absence of such measures, would be caused by the stoppage of earnings in sickness, unemployment or old age and after death; for making available to that same public, medical care as needed; and for subsidising families bringing up young children" (ILO, 1958, p.11).

As is evident, the provisions of social security, so defined, were aimed at providing relief mainly to workers from specific contingencies. The circumstances leading to the adoption of the definition were forgotten and the institutional definition became the official definition of the ILO. In the process, the original emphasis on Freedom from Want in the sense in which the Beveridge Committee Report used it was lost. Consequently, social security remained confined to the organised sector workers alone.

[4] It may be noted that in addition to the Beveridge Committee Report, the Atlantic Charter on Social Security also considered social security as a means to 'relieve want and destitution'.

1.2 Scope of social security

Following the widespread adoption of the institutional definition of social security in developed countries, this concept was extended to developing countries as well. However, such an application was problematic as developing countries, particularly in South Asia, are characterised by large informal sectors, incomplete structural transformation and high levels of poverty. The dualistic economic structure that characterises these economies implies very different conditions of employment in the traditional and modern sectors. In view of these circumstances, Dreze and Sen (1989) argued that the provision of social security in developing countries needs to be viewed from a broader perspective and 'essentially as an objective to be pursued through public means rather than as a narrowly defined set of particular strategies' (p.16, italics in the original). Coincidentally, this definition was closer in spirit to the notion of Freedom from Want put forth in the Beveridge Committee Report.

The articulation by Dreze and Sen of this alternative approach extended the scope of the term social security and several other researchers followed suit. Thus, Ahmad (1991), Burgess and Stern (1991), as well as Guhan (1992) emphasised the tackling of persistently low incomes as an important objective of social security. This is in contrast to the more restricted view of social security mainly as a means of preventing a sharp decline in income stressed originally in the ILO definition. The scope of the term social security was thus expanded to include not only contingency related measures but also several programmes aimed at improving endowments, exchange entitlements, real incomes and social consumption (Guhan, 1994). The emphasis on measures to tackle persistent poverty through enhanced income levels was important in adapting the definition to the context of low-income countries with high levels of poverty.

The distinction between various connotations of the term social security has been maintained in the literature by referring to the conventional ILO set of measures as protective (or formal) social security and the latter as promotional social security. The promotional category is rather broad[5] and its scope is often ambiguous. A package containing both protective and promotional measures is often referred to as the wider concept of social security.[6]

1.3 Human resource development and human development

The distinction between various connotations of the term social security has its roots in fundamental differences in the development paradigm adopted and the concomitant social policy implemented in the public domain. It is possible to identify two distinct though related paradigms that govern the formulation and implementation

[5] Promotional measures include growth-mediated as well as anti-poverty measures such as employment generation schemes, asset distribution schemes, backward area development programmes, provision of basic needs such as subsidised housing for the poor, slum improvement, primary education, health care, child nutrition, water supply and sanitation, and public distribution system (Guhan, 1994).

[6] Very often another category, preventive social security, is used as an intermediate category between promotional and protective social security. However, in view of the overlapping nature of this category, we have preferred not to refer to it.

of social policy, viz., that of (a) human resource development and (b) human development (Prabhu, 1998a).

The human resource development paradigm is governed by the view that *human beings constitute a means to higher productivity* and income levels in the economy. In this paradigm it is assumed that individuals invest in themselves through education, health and nutrition in expectation of higher earnings. Hence investment in these sectors is largely in the private domain. Since education, health and nutrition are considered 'merit goods' the government has a role to play in ensuring minimum levels of consumption of these goods. However, this role is conceived mainly to be that of a *facilitator* rather than that of a *provider*. In keeping with this paradigm, provision of social security is confined rather narrowly to contingency related measures mainly for workers in the organised sector. The responsibility for such provision rests largely with the registered firms and establishments with the role of the government being confined to providing an enabling environment comprising legal and administrative measures that ensure the provision of minimum levels of social protection to workers.

In sharp contrast to this viewpoint is that of human development, a term that is defined as 'the process of enlarging the range of people's choices' (UNDP, 1990, p.1). In this paradigm, *human beings are considered ends in themselves*. The provision of social security is not limited to protective measures of social insurance alone but extends also to programmes of social assistance as well as enhancement of capabilities. Thus, the provision of social assistance in the form of pensions for the aged and destitute are essential components of this paradigm. In keeping with this philosophy, the acquisition of minimum levels of education, health and nutrition are considered essential prerequisites for enhancing social capabilities and constitute inalienable human rights. This in turn implies a dominant role for the government, which encompasses apart from that of a facilitator, also that of a provider. The latter role acquires considerable importance in situations where access to social services is unequal and private provision is elitist in nature.

In additionally, since the human development paradigm relies substantially on participatory approaches to the enhancing of capabilities, it accords greater importance to the role of self-help groups, non-governmental and other community based organisations for the provision of social security. It is interesting to note that recent development literature has accorded importance to social institutions in fostering what is termed as 'inclusive development' and advocates the use of a multi-pronged approach[7] to enhancing the capabilities of the poor.

1.4 Socio-economic security: a wider concept

A more convenient way of referring to the distinction between the conventional definition of social security and the more recent extensions of the concept may be to distinguish between social security and socio-economic security. The crux of the argument of Burgess and Stern and others referring to the concept in the context of low

[7] For example, the World Bank (2000, p. 9) states that 'a mix of interventions may be needed to support the management of risks and the institutional capacity of the country'.

income countries is that social security measures must take into account the need for realising a minimum level of income rather than address themselves only to instances when income falls below a prescribed minimum due to various contingencies. Thus, income security, or more broadly economic security, seems to be the main requirement in developing countries. Additionally, in view of the large proportion of the workforce that exists in the informal sector, the provision of social security is meaningful in the long run only if it enables these sections of the population to enhance their capabilities. Thus, the provision of education, health and nutrition (EHN) becomes an essential component of the provision of social security measures.

Therefore, *socio-economic security may be defined as constituting measures that enhance social capabilities, ensure economic security and enable the vulnerable sections of the population to survive.* Thus, programmes for enhancing education, health and nutrition levels of the population, provision of statutory social security measures to workers in the organised sector, provision of measures to enhance the income levels of the poor through asset and employment programmes and social assistance programmes, constitute the elements of our concept of socio-economic security. The agents that provide such security are spread over the government, firms, households and the community. The provision of minimum levels of income constitutes not only a necessity for survival but also an essential pre-requisite for the acquisition of education, health and nutrition that lead to enhancing of social capabilities as well.

It is useful in this context to refer to Anand and Ravallion (1993) who identify three routes that link human development with aggregate affluence. These are a) capability expansion through economic growth, b) capability expansion through poverty reduction, and c) capability expansion through provision of social services.[8] The analysis of Anand and Ravallion on the distinct, but related, routes to enhancing capabilities sets the discussion on socio-economic security against a backdrop of macro policy and economic growth.

1.5 Distinction from other concepts

The concept of socio-economic security proposed here is also distinct from the conventional social security definition of ILO as it includes, in addition to ILO measures, various measures to enhance the *social and economic capabilities* of people. It is also distinct from the socio-economic security concept proposed by the ILO (ILO, 1999; Standing, 1999). The ILO definition of socio-economic security comprises seven main components, viz., labour market security, employment security, job security, work security, skill reproduction security, income security, and representation security. Whereas labour market security recognises the importance of appropriate macro policies in ensuring that high levels of employment prevail in the economy, employment and job security emphasize the regulatory framework to ensure protection against arbitrary dismissal and ensuring growth in the chosen career for employees respectively. Work

[8] In Dreze and Sen's parlance, the first route belongs to the category of 'growth-led security' whereas the other two could be considered as distinct components of 'support-led' security. The distinction between these two components within support-led security is necessary as one is aimed at raising the income levels of individuals whereas the other is intended to raise capabilities in terms of education and health which may or may not get translated into higher incomes.

security relates to the familiar provisions to ensure safety of workers and protection of workers against occupational hazards. Skill reproduction security lays stress on the opportunities for acquiring skills through apprenticeships and on-the-job training. Finally, income security refers to protective labour legislation to ensure minimum wages, wage indexation, provision of social security benefits and the like whereas representation security pertains to the extent to which mechanisms for collective bargaining are present and are functioning effectively.

As is evident, though the ILO concept of socio-economic security recognises the importance of macro policy and overall employment conditions in ensuring socio-economic security, its scope continues to be governed by the needs and requirements of developed countries where the bulk of the workforce is in the organised sector. Moreover, the provision of social security is confined to aspects relating mainly to work and employment. Such an approach falls short of the required definition in the context of developing countries. This may be illustrated as follows.

Just as socio-economic security cannot be assured in situations of considerable unemployment, similarly, work security, where workers are protected against illness at work, cannot be ensured in a milieu characterised by poverty and poor living conditions. The nexus between under-nutrition and morbidity implies that despite stipulated conditions for occupational safety being adhered to, the bulk of the workforce is prone to infection and poor health conditions, which seriously undermines productivity levels of firms. Similarly, skill reproduction security has meaning only when most of the workers have minimum levels of literacy and numeracy. In circumstances where illiteracy and innumeracy are the rule rather than the exception, skill reproduction security is difficult to achieve unless general social policy ensures universal elementary education for all. Representation security is meaningful when the workers are aware of their rights, have the capacity to organize themselves and protect their rights, a situation that cannot be said to exist in a majority of the countries in South Asia. Thus, the ILO concept of socio-economic security requires the fulfilment of certain prior conditions to ensure its effectiveness, conditions that can be taken for granted in the developed countries but are glaringly lacking in the developing countries with large populations of poor.

The definition of socio-economic security proposed by us, by comparison, is wider and is rooted in the context of developing countries with persistent poverty. It combines the aspects referred to by various analysts but instead of using the rather ambiguous terms of promotional and protective social security, it recognises distinct aspects of social security comprising measures designed to enhance social capabilities as well as measures aimed at enhancing average income levels of the general population. These measures are considered along with statutory social security programmes. In order to distinguish it from the ILO concept of socio-economic security, we term our concept the wider concept of socio-economic security.

2. Analytical framework

We delineate in what follows an analytical framework that is appropriate for countries that are characterised by pervasive poverty, poor employment conditions, high rates of illiteracy and human deprivation.

It is our contention that in such countries, the concept of social security that is relevant is the wider concept of socio-economic security. It may be argued that given dualistic labour markets that prevail in such countries, the implementation of social security measures in the conventional ILO sense alone may be not only be inappropriate but also inimical to the interests of labour in general, as such coverage will necessarily be confined only to the organised sections of industry, that employ less than 10 per cent of the labour force. This would unwittingly serve to accentuate the dualism in labour markets and heighten the inequity between the organised and unorganised sections of the population.

Apart from theoretical considerations, even on practical grounds, provision of social security in the conventional sense alone can prove to be problematic. Osmani (1991) sets out valid reasons for this situation in South Asian countries. Firstly, on account of the pervasive poverty in such countries, the scale on which social security is to be provided is enormous. As against a magnitude of 10 to 15 per cent of population requiring social security benefits in developed countries, the proportion in developing countries could typically be in the neighbourhood of 50 per cent implying that the resources required could be too large in practice. Secondly, in situations for example, where the bulk of the labour force is self-employed and where unemployment in the formal sense is limited but underemployment is pervasive, the provision of unemployment benefits may not even be operationally feasible. Similarly, where the proneness of the population to fall sick is endemic and rooted in poor living conditions, the provision of sickness benefits could indeed be an actuarial disaster.

2.1 Classification of socio-economic security

Before setting out the analytical framework, it is essential to classify the various components that comprise socio-economic security. It is useful in this context to initially discuss the classification adopted by Guhan (1994, p.38) who identifies three levels at which social security measures may be visualised. These levels were considered to be in the nature of concentric circles that proceed, like a set of three concentric circles from 'wider to narrower domains of specificity while recognising that all three sets of measures are called for'.

Level I comprises the outer circle of promotional measures which include in their purview economic and institutional measures of major importance for poverty alleviation which operate at the macro and meso levels. The measures are general in nature and though they are oriented towards the poor, they may not be confined to them or addressed specifically to the prevention of actual types of deprivation. Primary education, primary health and nutrition (EHN) are cited as examples of this set of measures. Level II measures, which may be identified with the middle circle, include programmes that are more directly targeted at improving the income levels of the poor. Examples include poverty alleviation programmes such as asset redistribution, employment creation and food security. The inner circle, Level III comprises specific policies aimed at providing relief from or protection against deprivation. These measures are necessary to the extent that deprivation is not or cannot be averted through promotional measures. The benefits accrue to the vulnerable after means testing and are aimed at providing immediate relief of a limited nature.

As is evident, Guhan's scheme makes no provision for the statutory measures of social protection that accrue to workers in the organised sector. Limited as this section of workers is in developing countries, it nonetheless needs to be incorporated into the analytical framework for it signals the nature of government policy towards such protection. We have therefore modified Guhan's classification to include four levels of socio-economic security as follows:

Level I : EHN measures
Level II : Asset and employment measures
Level III : Statutory measures of social protection for workers
Level IV : Measures of social assistance for persons outside the workforce

2.2 Time frame and target group

The four sets of measure differ in the time-frame that is required to have an impact on socio-economic security. Level I measures take a fairly long time - at least a decade or two - to make an impact on economic growth via increased levels of human development. In the case of Level II measures, the time within which the policies affect social security for the poor would be less than that required for the first set of measures. A period of 3-5 years is normally considered reasonable in view of the empirical evidence available with respect to asset and employment programmes implemented in India. The time frame that is required for Level III and Level IV measures to make an impact on the livelihood of the workers and the poor is immediate.

As is evident, the various measures referred to above cater to different age groups of the population. Education and nutrition measures target mainly children, employment and asset provision and statutory social security provision is mainly for those in the working age group and the last set of measures is aimed at the vulnerable and dependent population who lack alternative means of support. What is also important to note is that since these levels address varying needs of distinct segments of population over different time periods, they *cannot be considered as being mutually exclusive*. In fact, it could be argued that they complement each other and ought to be initiated, in an ideal situation, simultaneously or at least in quick succession even though the number of years over which each set of measures needs to be implemented may vary.

2.3 Provision of socio-economic security

Having identified various components of social security, we proceed to examine the role of various agents that provide such security. The extent of social security benefits provided to individuals in an economy is influenced at the macro level by the rate of economic growth and the pattern of distribution of its benefits. Given this, socio-economic security depends upon provisioning by the (a) government (b) firms, (c) households and (d) community. The links between these agents and their relation to various levels of socio-economic security is set out in Graph 1. We proceed to elaborate on the role of each of the main agents below.

Households

The prevalence of a dualistic economic structure coupled with a development strategy that does not ensure that the benefits of growth are distributed widely, results in an unequal distribution of income and assets that divides households in the economy into two classes, viz., poor and rich.[9] The poor, apart from lacking productive assets also lack formal education, which restricts their employment opportunities. The existence of segmented labour markets, which have their roots in social stratification in the rural areas, implies that the poor generally find employment in the informal sector. The provision of social security is virtually non-existent in the informal sector where the bulk of the poor are employed. Thus, the conditions governing their employment are generally characterised by fluctuations in income, lack of adequate social security and virtual absence of provision for either pensions or any compensation for employment injury or death.[10]

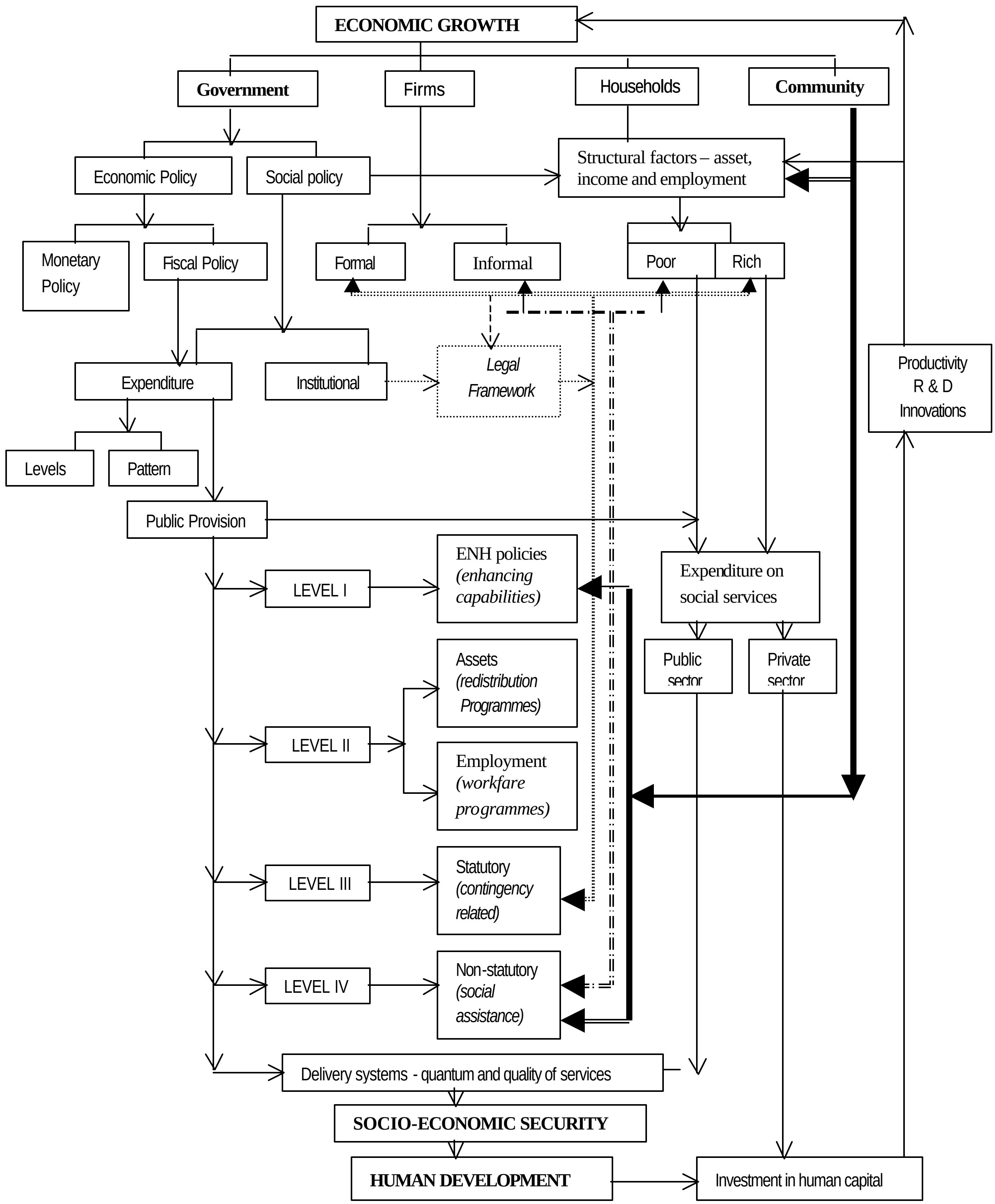
As far as access and utilisation of education, health and nutrition services are concerned, the poor generally depend on public provision of such services because they are free or subsidised. However, the impact that such access has on social attainment levels depends on the quality of services rendered in such institutions, which in turn influences the extent of utilisation of these services and the subsequent improvement in social indicators. To the extent that the functioning of the public sector social services is unsatisfactory, the prospects of the poor improving their social attainments is also limited which in turn perpetuates their poverty. When these services are utilised, it leads to an improvement in the levels of human development and thereby contributes to the formation of human capital.

The rich, on the other hand, not only have access to productive assets, but also possess higher education and other skills, on account of which they are able to secure employment in the formal sector. In this organised sector they then reap the benefits of strong trade unions and legislative support, which ensures that they have full access to various social security benefits. They also reap the benefits of on-the-job training imparted by firms in the formal sector, which contributes further to the process of accumulation of human capital and results in higher earnings in future. In terms of access and utilisation of education, health and nutrition services, the rich depend mainly on the private sector as they are able to pay for such provision. The rich may be expected to make substantial investment in themselves, particularly in the form of acquiring higher levels of education, which in turn implies better human capital acquisition. Such investments lead to a further accentuation of differences between the poor and rich households over time.

[9] We ignore the existence of the middle class for the sake of simplicity of exposition.

[10] For instance, provision of statutory social security measures in most South Asian countries, like Bangladesh, India, Nepal and Pakistan, are confined to the organised sector. The only exception was Sri Lanka where the statutory cover was available to workers in establishments in industry and commerce, small scale and subsistence activities, contract workers, farmers and fishermen (Prabhu and Iyer, 2001).

Graph 1. Socio-economic security in the context of economic growth and human development



The extent to which a widening of disparities is prevented or nullified depends on the operation of government policy in favour of the poor, though in order to be effective, it is necessary that such policy also be multi-faceted and integrated in nature so as to reap the synergies accruing from co-ordinated action in diverse but inter-connected fields. It is such action that leads to the existence of an 'egalitarian ethos' in the economy which in turn facilitates the rapid acquisition and enhancement of levels of basic education, health and nutrition attainment by the masses (Prabhu, 1998a).

Government

The government is considered to be an important provider of socio-economic security in our framework. Government policy has two main strands, economic policy and social policy. Economic policy comprises monetary, fiscal and other policies, though our attention here is only on fiscal policy. A separate social policy is necessary on account of the weak links between economic growth and human development, which is due to structural factors such as unequal distribution of income, assets and employment. Social policy, along with fiscal policy, has its impact on the level and pattern of social sector expenditure. In addition, social policy includes in its purview the creation and nurturing of institutions that facilitate provision of socio-economic security as well as the creation of a legal framework to ensure such provision. The legal provisions generally apply only to the statutory measures of socio-economic security that are provided for workers employed in the organised sector. Thus, the government's own social security expenditure as well as the institutional framework in existence together influence public provisioning of socio-economic security. The government is expected to make a balanced provision of socio-economic security across the various levels identified earlier.

An important aspect of public provisioning of socio-economic security pertains to its role as a *redistributive measure* to correct for the impact of structural inequalities on the poor. Thus, public provision of education, health and nutrition should be mainly in favour of the poorer sections of the population who lack the economic means to secure access to these services.

Firms

Firms in developing countries may be classified into two categories; viz., those that are within the formal sector and those that are in the informal sector.[11] The firms in the formal sector provide social protection in tune with statutory requirements outlined in Level III. Firms in the informal sector are covered neither by safety provisions nor by the provision of social security benefits to workers. The provision of various measures as well as the effectiveness of implementation of statutory provisions depends to a large extent on the creation of a legal environment to enforce the provision of social

[11] The term informal sector connotes economic activities that do not fall within the purview of statutory control (Hart, 1973). The International Labour office (ILO, 1972, p. 5) in a study on Ghana provided characteristics for the informal sector as "ease to entry, small scale operations, reliance on indigenous resources, family ownership of enterprises, labour intensive and adopted techniques, skills required outside the formal school system and unregulated and unprotected markets".

assistance and social protection. The socio-political milieu within which the firms operate also influence the seriousness with which the legal provisions are complied with. Such compliance is expected to be better when the government is committed to the paradigm of human development and takes a pro-active role in ensuring that the socio-economic security needs of various sections of population are met. The extent to which the coverage of various social protection and assistance schemes is extended to the informal sector also depends on the commitment of the government in ensuring the protection of all workers from various contingencies related to health, employment and old age.

Community

The role of the community assumes importance in the provision of socio-economic security in instances when there are (a) structural factors that impede the access to socio-economic security and (b) the reach of the formal systems of social security is inadequate. The community can be an important source of provision of security for pre-school children and the aged. It also plays an important role in the provision of health security. Women in particular are considered to be the main providers of care and nursing services to the sick and ailing in the family as also in imparting informal education to children.

The role of the community can also be perceived in broader terms through its contribution to social capital. The term social capital may be used to refer to both *social networks* supplemented by rules, procedures and precedents as well as *shared norms, values, attitudes and beliefs* (Krishna and Uphoff, 1999, p.8). This is akin to the definition used by Abromovitz (1995, p.45) to define what he terms social capability as "a set of attitudinal and institutional characteristics".

The forms of co-operation among community members are an important element that fosters collective action on various fronts. This includes bargaining for higher wages and better employment conditions as well as monitoring of government programmes of social assistance, provision of employment and assets and provision of education, health and nutrition. Such collective action serves to minimise the adverse impact of structural constraints on the poor. Furthermore, attitudinal characteristics such as commitment to hard work, willingness to save for the future and high regard for education contribute directly to general economic growth as well to improving productivity and saving levels in the economy. Though the above mentioned values are often considered cultural values, in the fostering of which the family and community play an important role, the importance of economic incentives and the role of the government in designing and implementing such incentives cannot be underestimated. "These societal values grow out of history of nations and peoples, and can be the explicit target of government efforts often encompassed in official ideology" (Krause, 1995, p.320).

Thus, our analytical framework recognises the dualistic structure prevalent in the economy and visualises government provisioning as an important means of combating the impact of structural inequities that impede the access of the poor to socio-economic security. The role of the community is also important in imparting strength to the process of collective action that ensures that the "voices of the poor" are heard by the policy makers.

PART II: SOCIO-ECONOMIC SECURITY IN INDIA

3. Structural conditions

3.1 Structural transformation

A fundamental feature of the Indian economy is that the process of structural transformation has remained unbalanced. While the share of agriculture and allied sectors in the country's Gross Domestic Product (GDP) declined substantially over the period 1950/51 and 1994/95, the increase in the share of the secondary sector was not at a corresponding level. What gained in importance was the tertiary sector. However, when the occupational distribution of population is considered, the share of the workforce dependent on agriculture declined rather slowly, which in turn implied that the workforce dependent on the secondary and tertiary sectors increased at a rate much lower than the increase in their share of GDP.[12]

3.2 Widespread poverty

The wide prevalence of poverty in the country is another factor that casts its shadow on the economy as a whole and on the need for provision of socio-economic security in particular. The proportion of population below the poverty line declined rather slowly from 54.9 per cent in 1973/74 to 36 per cent in 1993/94 according to Planning Commission estimates. In absolute terms this translates into a virtually stagnant figure of 321.3 million poor in 1973/74 and 320.4 million in 1993/94 (Planning Commission, 1997). What is intriguing is that the prevalence of poverty remained high even among those employed, pointing to considerable underemployment[13] and the poor quality of employment secured. Thus, the incidence of poverty in 1993/94 was 49.4 per cent among rural casual labour and even higher at 57 per cent among urban casual workers (Sharma, 1999) pointing to the poor quality of such employment. The importance of employment for consumption has been highlighted by Gupta (1999), who estimated that in 1997, the contribution of employment to the increase in per capita consumption of the rural poor in India was as high as 82 per cent.

[12] The share of agriculture in GDP declined from 56.5 per cent in 1950/51 to 30.7 per cent in 1994/95 whereas the share of the secondary sector increased from 15 per cent faster to 28 per cent in the corresponding period. The rise in the share of the tert iary sector from 28.5 per cent to 41.3 per cent. With respect to employment, the share of the workforce dependent on agriculture declined from 75.6 per cent in 1961 to 64.7 per cent in 1993/94. The share of the workforce dependent on the secondary sector increased from 11.2 to 14.8 per cent and that of the tertiary sector increased from 13.2 per cent to 20.5 per cent during the period under consideration (Mahendra Dev, 1997, p.5).

[13] Underemployment, in terms of persons being available for additional work, was around 22 per cent for all male workers in rural areas (whether wage-employed or self-employed) and 16 per cent in urban areas in the late 1980s. For female workers, the average rate of underemployment was 13 per cent in rural areas and 20 per cent in urban areas. For casual workers, the rates were considerably higher, usually double the average rates. Employment in the non-agricultural sector was mainly in the informal sector where conditions of work are poor and provision of social security virtually absent (ILO, 1993).

The prevalence of poverty has also been higher among the socially disadvantaged sections such as the scheduled castes (SC) and scheduled tribes (ST). What is even more disconcerting is that the rate of decline in the incidence of poverty was lower than that of other categories indicating the inegalitarian nature of distribution of the benefits of economic growth. Thus, between 1983 and 1993/94, the proportion of SC population below the poverty line in rural areas declined only from 53.1 per cent to 50.3 per cent whereas in the case of Scheduled Tribe population, the reduction was from 58.1 per cent to 54.2 per cent during the same period (Hirway and Mahendra Dev, 2000, p.70). Thus, not only was the incidence of income poverty higher among the socially disadvantaged groups, the rate of reduction in poverty was also lower.

Caste-based in India is reinforced by inequality in the economy and cultural and religious spheres, which influence the attitude of people towards weaker section and women, in particular. This in turn, influences their participation in various facets of economic activity. Thus, economic, social, cultural and religious factors contribute and reinforce the inequalities in society, which have an impact on the inter-personal equity, limiting the opportunities available to large sections of population and influencing the effectiveness of social policy in general. Each category of constraints, taken singly, could adversely affect the attainment of social goals. What is worse, they interact with each other in numerous ways to make it difficult, if not impossible, for individuals to overcome these structural barriers.

3.3 Workforce structure

The proportion of the workforce employed in the formal sector in India has been extremely limited, 8 per cent in 1993/94 (Institute of Applied Manpower Research (IAMR), 1999). Furthermore, the possibility for a rise in the share of organized sector employment in the near future seems remote in view of the increasing resort to (a) flexible arrangements for employment of labour, and (b) putting-out systems and contracting out of services. Both these trends have been the result of increasing competitiveness and the need to reduce costs in the context of globalisation undertaken as a part of the process of economic reform implemented in the country since 1991. Moreover, the elasticity of employment in the manufacturing sector has also declined from 1.14 in 1973-78 to 0.33 in 1988-94 (Mahendra Dev, 1997, p.223). Given that the employment elasticities[14] of the organised sector workers is already low, and only 8 per cent of total workforce is employed in the organised sector (IAMR, 1999), and employment elasticities with respect to output in the construction and service sectors are high[15], it is likely that the share of the workers in the informal sector will rise even further in future. It is well known that in the informal sector, the wages obtained as well as the conditions of employment are unsatisfactory.

[14] Employment elasticity is measured as the ratio of employment growth to the growth of value added (Mahendra Dev, 1997).

[15] The employment elasticity of the construction sector in the period 1973-94 was 1.20 and in the service sector, 0.67 for transport, 0.73 for trade and 0.68 for community and other services (Mahendra Dev, 1997, p. 223)

The labour market in India is also segmented with the more educated and skilled taking up factory jobs while the illiterate end up in contract and casual work (Qadeer and Roy, 1989, Deshpande, 1992). The roots of this segmentation lies in the villages where differences in access to land, education and social links determine the status of the rural to urban migrant. The nature of the labour market in India defies neat classification. In fact, many groups are effectively excluded from better jobs on account of methods of access to jobs, which are based on personal contacts and caste or community networks (Rodgers, 1993). This segmentation is perpetuated by informal systems of recruitment as formal systems are neither adequate or are costlier (Papola and Rodgers, 1992). Despite the decline in the relative importance of these factors in the recent past, they remain nonetheless quite important and cannot be totally ignored.

Another disconcerting feature of the workforce in India has been the prevalence of child labour, which is generally engaged in hazardous industries. The Indian population census estimates of child labour at 11.3 million children in 1991, which is widely considered to be an underestimate. Other estimates of child labour range from 40 million to 100 million. Over 80 per cent of child labour is to be found in the rural areas with the rest in the urban informal sector. About 2 million children are estimated to be engaged in work in hazardous occupations. State-wise, child labour is most prevalent in Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh, Orissa, Uttar Pradesh and Tamil Nadu (United Nations, 1998).

3.4 Nature of production processes

The production process in developing countries is generally considered to cause greater occupational hazards for workers than in developed countries. The substantial diversification of industry in India in the post independence period into areas such as pharmaceuticals, paper, chemicals and pesticides proceeded with the help of foreign technology but adequate attention was not paid to safety and pollution control equipment (Durvasula, 1992). Consequently, the exposure levels in Indian industry are high (Appendix 1).

Hazardous operations are generally handled by contract workers who work on the plant without protective clothing or equipment. Since they are not formally employed, the occupational health problems are not even recorded let alone attended to. The low income levels of workers, their low nutritional status, unsanitary living conditions also makes them vulnerable to intermittent and prolonged bouts of illness, which results in not only loss of wages for the period that the workers remain absent but also leads to high expenses being incurred towards treatment of ailments. An episode of illness resulting in hospitalisation is estimated to take away between 3-5 months of earnings of the breadwinner (Krishnan, 1996).

4. Framework for government policy

Despite the imperative need to implement socio-economic security measures within the broad context outlined above, the provision of such security has been unsatisfactory in India. The socio-economic security measures implemented in the country, both of the statutory type as well as those designed to enhance social capabilities, have been borrowed from the experience of western countries where the context within which the measures were formulated was quite different.

The transplantation of social security measures developed in a piece-meal fashion in India and resulted in unsatisfactory formulation and implementation of even the formal social security measures. The situation is succinctly summed up by the Report of the Task Force on Social Security (GOI, Ministry of Labour, 2000, para 1.33) which states 'Even though the social security programmes/schemes have been on the ground for many years, the social security system in the country continues to suffer from several weaknesses which, inter alia include the absence of any well formulated plan, design or policy on social security, limitation in the scope of coverage consequent on specification of class(es) of industries, wage ceiling and employment threshold and absence of uniform criterion for the coverage; exclusion from the protection of the self-employed and the workers in the unorganised sector whose need for social security is more pronounced; and setting up of a separate organisation for different benefits for a common target group resulting, sometimes in duplication of benefits'.

This sorry state of affairs is due mainly to the lack of a conceptual framework governing the provision of socio-economic security. The application of the conventional concept of social security has led to attention being focussed mainly on organised sector employees though they constitute a minuscule proportion of the total labour force. Furthermore, social security has been considered within the human resource development paradigm which implies that the responsibility for the provision of social security would be that of firms and it is assumed that the individuals would be in a position to negotiate and procure the required social security benefits as the part of their employment contracts. The inapplicability of the paradigm to developing countries where pervasive poverty, illiteracy and deprivation prevail was not given adequate attention by the government. Since overall social policy was also not governed by an egalitarian ethos, the resultant provision of the social security even in the organised sector has been piece-meal and ineffective.

The divergence between vision and practice in Indian social security policy is of considerable importance for it starkly demonstrates how the implementation of individual measures, however well meaning, when not rooted in an appropriate conceptual framework result in ineffective provision. The lessons of the Indian experience should be of considerable interest to the countries in South Asia. We trace below the dichotomy between vision and practice in Indian policy over the past five decades.

4.1 Vision in the Constitution of India

The Constitution of India has been hailed as a remarkable document for the egalitarian vision that it exudes. The various provisions that have a bearing on provision of socio-economic security are set out in Appendix 2. A perusal of the contents indicates that several constituents that facilitate the provision and effectiveness of the wider concept of socio-economic security are included as individual fundamental rights: equality before the law, prohibition of discrimination on the grounds of religion, caste, sex, place of birth, equality of opportunity in public employment and abolition of untouchability. Furthermore, the right against exploitation was stipulated through the prohibition of traffic in human beings and forced labour and prohibition of children in factories.

In addition to fundamental rights, the Constitution includes Directive Principles of State Policy referring to the state's responsibility in ensuring a social order for the promotion of welfare of the people and securing adequate means of livelihood. It is stipulated in these Principles that the health and the strength of workers be safeguarded and children protected from exploitation. Furthermore, the Directive Principles also includes the right to work, access to elementary education, public health and nutrition, and to public assistance in certain cases such as unemployment, old age, sickness and disablement. Provision of just and humane conditions of work and maternity relief is also within the ambit of the Directive Principles as is free and compulsory education. The Directive Principles further state that the economic interests of scheduled castes and scheduled tribes be promoted.

It is evident that the Constitution and Directive Principles together set forth a vision that is in consonance with socio-economic security in the sense of Freedom from Want stressed by the Beveridge Committee Report. Thus, the Constitution of India did provide the scaffolding for the provision of social security in the country. However, the provision was not considered a fundamental right, presumably in view of the practical difficulties in implementing them. Nonetheless, it is amply clear that the provision of socio-economic security was considered an important obligation that the government had to fulfil in ensuring equality and social justice for the deprived sections of the population.

The implementation of the vision enshrined in the Constitution depended on the policies that the governments at the central and state levels followed in subsequent years. Five-Year Plan documents and labour legislation have been important as compendiums in which the policy declarations of the country as a whole have been documented. We now turn to examine the contents of these documents for tracing the nuances of government policy toward social security.

4.2 Policy framework in Five Year Plans

In a milieu characterised by structural constraints and an uneven distribution of benefits of growth, the provision of social services, particularly education, constitutes the most important means of promoting greater equality of opportunities to the disadvantaged sections of the population. However, in order to constitute social security, the provision of social services needs to be governed by the goals of human development and as an instrument to ensure equity. The role of the government in creating an enabling environment as well as in provision of basic facilities for the benefit of the poor is critical. It also important to note that the Supreme Court in India has widened the fundamental right to life and liberty enshrined in Article 21 of the Constitution to include the right to livelihood, the right to education and the right to a healthy environment. If this approach is adopted, obviously it is binding on the part of the state to ensure that people have minimum levels of education and health attainments, for which purpose the government may undertake to supplement the provision made by the private sector by its provision in the public sector.

Elements of socio-economic security have been included in India's Five Year Plans since the time of the First Five Year Plan in 1951 though the emphasis has differed across various Plans. The Ist Five-Year Plan emphasised programmes such as community development, primary education and provision of primary health facilities. This thrust, however, was soon lost and the IInd plan focused more on policies to foster economic growth. It was in the IVth Plan that there was special emphasis on poverty alleviation programmes, which included asset distribution programmes under the Integrated Rural Development Programme (IRDP) initiated in 1978/79. In the Vth Plan the focus shifted to the Minimum Needs Programme, which was an attempt to broaden the scope of support to the poor. The programme visualised the provision of elementary education, rural health, nutrition, drinking water, rural roads and rural electrification as essential components that comprise a decent standard of living. However, this thrust was not maintained in the VIth Plan, which emphasised only rural infrastructure and provision for Health For All. In the poverty alleviation sphere, the focus was on employment generation programmes such as Jawahar Rojgar Yojana (JRY) initiated in 1989, (see p. 28).

In the VIIth Plan the main thrust was on implementation of the National Policy on Education (NPE) which was formulated in 1986 and revised in 1992. The National Literacy Mission was launched in 1988 in pursuance of this policy.[16] A main feature of union government policy for education has been the provision of 'free' education, which implies exemption from fees in elementary schools though other expenses amount to a considerable amount.[17] Subsidies for school feeding programmes and several centrally sponsored programmes such as Operation Blackboard[18] have been the main features as far as elementary education is concerned. In the case of health, the National policy on Health announced in 1983 set the tone for various measures aimed at achieving Health For All by the year 2000. The VIIIth Plan gave considerable importance to enhancing social capabilities in pursuance of the objective of human development, which was considered to be the 'ultimate goal' of the Plan.

Allocations to social services in terms of share in total plan allocations were the highest in the Second Plan (Table 1). Subsequently, the combined share of education and health in total plan allocations have hovered at lower levels. In terms of proportion of GDP, the allocations to education have been around 4 per cent in most of the Plans except since the Eighth Plan when it was raised slightly though it fell short of the 6 per cent norm suggested by the various official committees In the case of health (including water supply and sanitation), the allocations have been much lower at around 2 percent of GDP despite the recommendation of the Indian Council of Social Services Research (ICSSR)-Indian Council of Medical Research (ICMR) Joint Panel on Health (1981)

[16] The aim of the Mission was to impart functional literacy to 80 million illiterate people in the age group of 15-35 by the year 1995.

[17] Recent estimates of NCAER (1996) indicate that on an average a family had to spend Rs. 317 per year per child aged 6-14 years in government schools. NSSO (1998) data indicate that the expenditure per student in 1995-96 in the lowest expenditure quintile was Rs. 197.

[18] The Operation Blackboard Scheme was aimed at improving the facilities provided in primary schools, which were to be provided with a minimum of two teachers and a variety of teaching and learning equipment including blackboards.

recommending 6 percent of GDP as being essential for the purpose. The high proportion of private expenditure on health in the country has also been an indication of the large disease burden carried by households, particularly those below the poverty line.

Table 1. Total Plan Outlays on Select Items of Social Security during Five-Year Plans: 1950-51 to 1996-97

Heads	Ist (1950-55)	IInd (1955-61)	IIIrd (1961-66)	IVth (1969-74)	Vth (1974-79)	VIth (1981-85)	VIIth (1985-90)	VIIIth (1992-97)
Total Outlay (Rs. million)	20 687.8	48 000.0	80 985.3	159 022.0	372 500.0	975 000.0	180 000.0	4 341 000.0
of which % share								
Social services	16.4	19.7	17.5	16.2	15.5	14.4	16.3	17.5
Education	7.5	6.4	7.8	6.1	4.6	2.2	3.5	4.5
Health	4.8	5.7	4.2	7.3	6.3	5.9	7.3	5.6
Nutrition	0.0	0.0	0.0	0.0	1.1	0.2	1.0	0.4
Housing	2.4	2.5	1.8	1.5	0.0	1.5	1.4	1.2
Labour & labour welfare	0.3	0.6	0.9	0.2	0.2	0.2	0.2	0.3
Welfare SC/ST	1.4	1.9	1.4	0.9	0.6	1.0	0.0	1.3
Social welfare	0.0	0.6	0.3	0.3	0.6	0.3	0.6	0.9

Notes: Health includes allocations on public health, family welfare and water supply and sanitation

Source: Planning Commission, *Five -Year Plans.*

4.3 Limitations of policy framework

The social policy of the government is marked by a singular lack of appreciation of the broader connotation of socio-economic security and its importance for human development. In the absence of a cohesive policy, there is a lack of an overall perspective within which various measures are located. Consequently, the responsibility for implementation of various schemes introduced during Five-Year Plans is scattered across departments and ministries with a plethora of schemes and programmes to address the target population divided on the basis of residence, gender and sector.

The problem is particularly acute in the case of programmes for poverty alleviation, health and nutrition and social security and welfare. The division of programmes across departments and ministries is indicated in Table 2. It is evident that programmes for income security are scattered over as many as eight departments belonging to four diverse ministries. Similarly, programmes for health and nutrition are spread across three departments in two ministries. Though health and nutrition are complementary to each other, nutrition programmes are the responsibility of the Department of Woman and Child in the Ministry of Human Resource Development whereas disease control programmes are under the purview of the Department of Public Health in the Ministry of Health and Family Welfare. Social security provision is undertaken by five departments spread across three ministries of Finance, Coal and Labour. Given the notorious lack of interdepartmental co-ordination, it is not surprising that the provision of social security in India is piecemeal and haphazard.

An additional factor that compounds this unsatisfactory situation is that several components of socio-economic security are the responsibility of state governments. Since the political commitment of governments towards socio-economic security varies across states, provision to the poor differs sharply. The state of Kerala, which has been acclaimed for its concern towards human development, has managed to provide an array of social security measures for informal sector workers and the destitute despite relatively modest levels of income.

Table 2. Distribution of social security programmes across departments and ministries: Union Government, 1998

Sl no	Social security programme	Sub- department/ department	Ministry
		Income security: Assets and employment	
1	Jawahar Rojgar Yojana	Rural Employment/ Dept of Rural Employment & Poverty Alleviation	Ministry of Rural Areas and Employment
a)	Indira Awas Yojana	Housing/ Dept of Rural Employment and Poverty Alleviation	---------------do----------------
b)	Million Wells Scheme	Other Rural Development Programme/ Dept of Rural Development	---------------do----------------
2	Integrated Rural Development Programme	Special Programmes for Rural Development/ Dept of Rural Employment and Poverty Alleviation	---------------do----------------
3	Employment Assurance Scheme	Rural Employment/ Dept of Rural Employment and Poverty Alleviation	---------------do----------------
4	Training of Rural Youth for self-employment	Sp. Special Programmes for Rural Development/ Dept of Rural Employment and Poverty Alleviation	---------------do----------------
5	Development of Women & Children in Rural Areas	Other Rural Development Programmes/ Dept of Rural Employment and Poverty Alleviation	---------------do------------------
6	Mahila Samridhi Yojana	Women's Welfare/ Dept of Women And Child Health	Ministry of Human Resource Development
a)	Support to Training & Employment Programme	Women's Welfare/ Dept of Women And Child Health	--------------do------------------
7	Nehru Rojgar Yojana	Urban Development/ Dept of Urban Development	Ministry of Urban Affairs & Employment
8	Prime Ministers' Integrated Urban Poverty Eradication Programme for small towns	Urban Development/ Urban Employment And Poverty Alleviation	---------------do----------------
9	Swarna Jayanti Rojgar Yojana	Urban Development/ Urban Employment and Poverty Alleviation	---------------do----------------
10	Prime Minister's Rojgar Yojana	Khadi and Village Industries/ Dept of Small Scale Industries And Agro and Rural Industries	Ministry of Industry
		Health and Nutrition	
1	Disease Control Programmes like TB, Leprosy, AIDS etc.	Public Health/ Department of Health	Ministry of Health and Family Welfare
2	Reproductive and Child Health Programme- Maternal and Child Health	Family Welfare Services/ Department of Health And Family welfare	----------------do----------------
3	Integrated Child Development Services	Social security & Welfare- Child Welfare/ Department of Women and Child Health	Ministry of Human Resource Development

Table 2. (cont.). Distribution of social security programmes across ministries and departments: Union Government: 1998

Sl no	Social security programme	Sub- department/department	Ministry
		Social security and welfare	
1	Hut Insurance Scheme for the Poor Through The GIC etc.	Social security and Welfare/ Department of Economic Affairs	Ministry of Finance
2	Pensions and Other Retirement Benefits	Pensions/ Department of Economic Affairs	-------------do-------------
3	Social Security and Welfare- Deposit Linked Insurance schemes	Pensions/ Department of Economic Affairs	--------------do-------------
4	Labour and Employment Coal Mines Labour Welfare	Coal	Ministry of Coal
5	National Transfer from Labour Welfare Funds- Beedi Workers; Mica Mines Labourers; Iron Ore Mines; Manganese Ore Mines Chrome; Limestone and Dolomite Mines Labour; and Cine Workers Welfare Fund	Labour and Employment- Labour/ Ministry of Labour	Ministry of Labour
6	Employees Pension Scheme; Family Pension-cum- Life Insurance Scheme & Deposit Linked Insurance Scheme	Social Security for Labour/ Ministry of Labour	----------------do------------

Source: Prabhu and Sandhya (1999).

The state of Maharashtra has been in the forefront in implementing the Employment Guarantee Scheme, which provides unskilled work in rural areas as a measure of income security, though its efforts in providing other socio-economic security measures have been unsatisfactory (Prabhu, 2001). With respect to social assistance programmes, states such as Kerala and Tamil Nadu provide in addition to old age pensions, various pensions to destitute widows and the physically handicapped as well as survivor benefits to families in the event of the death of an earning member due to occupational hazards. However, despite relatively high levels of unemployment that prevails, there is lack of a concerted thrust towards employment generation. Thus, the individual states concentrate on specific components of social security and fail to reap the synergies inherent in the integrated provision of socio-economic security.

4.4 Labour legislation

The policy towards statutory social security has been to implement relevant legislation for provision of specific aspects of security to workers as presented in Appendix 2. Statutory measures date back to the Workmen's Compensation Act implemented in 1923. Other important legislation in the post-Independence period covered the Factories Act, 1948, and the Mines Act 1952, which provide the basic framework governing the functioning of factories and mines respectively. In addition there exist the Employees State Insurance Scheme 1948, the Employees Provident Fund and Miscellaneous Act 1952, Maternity Benefit Act 1961, the Payment of Gratuity Act 1972, that provide specific benefits to mainly workers in the organised sector. As is evident, the provisions cover payment of provident funds, gratuity, maternity benefits, employment injury and survivor benefits and retirement pensions. They indicate coverage of individual aspects and individual sectors with no notion of integrated provision of social security. The coverage is also restricted to the workers in the organised sector alone. In terms of ILO conventions, it is significant to note that the Government of India ratified the Income Security Convention No. 67 in 1944 which covers contingencies such as sickness, maternity, invalidity, old age, death of a bread winner, unemployment and employment injury (Wadhawan, 1987). However, the Convention specific to the provision of social security, viz., Convention No. 102 of 1952 has not been ratified by India to date.[19] The list of Conventions ratified by the country is given in Appendix 3. Apart from these main acts, other legislation governs the conditions of work of children, bonded labour, equal remuneration and inter-state migration.

We highlight below some of the main provisions of the Factories Act and the Mines and Plantation Acts that govern the general functioning of factories and mines in the country.

The Factories Act 1948

Coverage

The Factories Act extends to the whole of India and applies to all establishments using power and employing 10 or more workers or to establishments not using power if they employ 20 or more workers. The state governments are empowered to apply the provisions of the Act to any premises, irrespective of the employment therein, except to family enterprises where no workers are hired. Uniformity in the implementation of the Act is ensured through the Model Rules framed under the relevant provisions of the Act by the Director General of Factory Advice Service and Labour Institutes (DGFASLI), an office attached to the Ministry of Labour (GOI, Ministry of Labour, 1994).

Evaluation

The implementation of the Factories Act has been considered to be unsatisfactory. One of the main problems is that the criteria for safety and standards prescribed are very general and based on arbitrarily relaxed western standards. It is not obligatory for factory managements to employ a medical officer at the factory premises nor is it essential to conduct a medical examination prior to employment. The factory management has to statutorily provide information regarding occupational diseases but assessment of workplace exposure is not mandatory (Durvasula, 1992). Apart from the inadequate provisions, the enforcement of the Act becomes problematic it applies only to establishments where the number of workers exceeds 1000. The state governments that are entrusted with the responsibility of enforcing the Act do not employ an adequate number of factory inspectors and certifying surgeons. Even those employed are general non-medical personnel who lack the technical expertise required to enforce the Act (Durvasula, 1992). The reporting of occupational diseases or accidents under the Factories Act has been meagre. According to one estimate (Centre for Science and

[19] It is noteworthy that the Task Force on Social Security appointed by the Ministry of Labour (GOI, Ministry of Labour, 2000) recommended the ratification of Convention 102 by the Government of India within a specified time frame.

Environment, 1985), only 20 per cent of such incidents are reported. Bhat (1993) estimated that every year 18 million die and 110 million get injured in occupational accidents in the country, though the official reporting of such incidents is poor. It is within this overall framework that social security provision for the workers is to be examined.

The Mines Act and Plantation Acts

Coverage

The Mines Act and Plantation Acts extends to the whole of India and aims at providing safe and proper working conditions. The Plantations Labour Act 1951, besides establishing sound industrial relations aims to provide for the welfare of labour and to regulate the conditions of work to avoid exploitation of workers employed in plantations. It extends to the whole of India (except the state of Jammu and Kashmir) and covers tea, coffee, rubber, cinchona and cardamom plantations.

Evaluation

As far as policy attention to issues of labour is concerned, it was only in the first three Five Year Plans that there were some preliminary guidelines regarding safeguarding of workers' welfare and social welfare. The later plans have been silent on this aspect. While the First Five-Year Plan identified as basic needs food, clothing and shelter, safeguarding workers' health and protection against occupational and other health hazards, the second and third Five-Year Plans articulated the objective of increasing the coverage of the existing social security schemes. In fact, it was suggested that the various schemes in operation be integrated so as to reduce the overhead costs and diversify the set of benefits.

4.5 Failure to implement integrated scheme[20]

The failure to formulate and implement an integrated scheme of social security may be traced to the lost opportunity during the Third Plan. In fact, the provision of social security in the integrated sense was first mooted during the Second Five-Year Plan period (1955/56 to 1960/1961). The aim was to combine the various schemes in operation in the country so as to reduce operational costs and improve efficiency of delivery. The Study Group appointed in 1957 by the Ministry of Labour was to work out the modalities of such integration. The recommendation of the study group was that a single agency should assume responsibility for the implementation of various statutory social security provisions and that the Provident Fund be converted into a Pension-cum-Gratuity scheme. A blueprint for another integrated scheme was formulated in 1971, though there was no action on the part of the government. The statutory schemes that were to be integrated included Employees State Insurance Act, Employees Provident Fund Act, Coal Mines Provident Fund Act, Bonus Scheme Act and Assam Tea Plantations Provident Fund Scheme Act.

[20] The text in this sub-section relies on the information provided by the Report of the Task Force on Social Security (GOI, Ministry of Labour, 2000).

However, though the governments concerned as well as employers considered the recommendations of the Study Group, they were not implemented owing to several apprehensions expressed by the employers as well as workers. It was only in the Ninth Plan (1997-2002) that the suggestion was made to formulate a National Policy on Social Security and to create a separate Department of Social Security in the Ministry of Labour to facilitate and accelerate the extension of social security to all sections of the working population in the country.

5. Impact of various programmes to enhance social capabilities: Level I measures

The failure of various programmes implemented over the years to enhance social capabilities is reflected in the trends in social attainments and government allocations for these sectors, which are discussed below separately for education, health and nutrition.

5.1 Education

Attainments

The current levels of attainment in education in India are lower than not only the current levels attained in several neighbouring countries but also lower than the levels attained in these countries nearly two to three decades ago. Thus, the adult literacy rate of 53.5 per cent attained in India in 1997 was lower than the 77 per cent literacy recorded in Sri Lanka as far back as 1970 or the 88 per cent achieved in South Korea in 1970 (UNDP, 1999). The evidence from the most recent household survey by the National Sample Survey Organisation (1998) for the year 1995/96 indicated that the educational levels of the population are closely related to income (household expenditure) levels. Thus, the average number of years of schooling reported was only 2.3 for the households in the lowest household expenditure groups, whereas for the top expenditure groups, the figure was much higher at 6.4 years. The disparity was even higher when females were considered with the poorest among the rural females recording very low mean years of schooling of 0.9 years as compared to nearly 9 years of schooling for urban females.

Considerable variations exist in the attainments across states. In addition, enrolment rates in the highest expenditure groups in less developed states such as Madhya Pradesh, Rajasthan and Uttar Pradesh are lower than the enrolment rates of the bottom expenditure group in educationally advanced states such as Kerala.[21] Non-attendance rates and dropout rates were also higher among children belonging to poorer households than the rich households (Tilak, 2000, p.16).

[21] In 1995-96, the enrolment rate of children (6-10 years of age) in the high expenditure group of Rs.62,000 and more per annum in Madhya Pradesh was 76.2 per cent compared to 96.9 per cent recorded for the lowest expenditure group (Rs.20,000 and less per annum) in Kerala in 1995/96 or 88 per cent in Himachal Pradesh.

Government expenditure

Though several programmes are being implemented for improving literacy levels, the combined allocations is much lower than warranted levels. The level of government expenditure (centre and states) on education in India hovered around 3.4 per cent of GNP in 1997/98 though it increased to around 4.5 per cent of GDP in 1998/99 (UNDP, 1999). Despite this increase, the expenditure level is lower than the level recommended by the Education Commission (GOI, 1966) as well as the Ramamoorthy Committee (GOI, 1991), which suggested that 6 per cent of GDP should be spent on the education sector by the government. Paradoxically, though education is on the concurrent list implying that the central as well as state governments bear equal responsibility for the development of the sector, in reality it is the states, which bear the major expenditure. Thus, in 1998/99, 88 per cent of total government expenditure on the sector was incurred by the state governments (Prabhu, 2000). Since state governments differ in the emphasis accorded to elementary education, the extent of funding provided for the sector differed considerably (Table 3). It is also important to note here that empirical studies have pointed to the importance of real per capita government expenditure on education in explaining educational attainments across Indian states.[22]

Evaluation

The programmes implemented by the government have not been very effective in raising the education levels of the population. A serious shortcoming has been the poor quality of education imparted, particularly in government schools. High levels of teacher absenteeism, non-congenial learning environments and inappropriate syllabi have led to lack of interest on the part of students. Significantly, 'not interested' in schooling has been cited as an important cause for non (never) enrolment of children in schools. The National Sample Survey Organisation (NSSO) data for 1995-96 indicated that 50 per cent were never enrolled in schools mainly because they or their parents had no interest in studies (Tilak, 2000, p.25). This may be considered a failure on the supply side rather than as a reflection of inadequate demand as field surveys indicate considerable motivation to have children enrolled in schools even in the relatively educationally backward states such as Uttar Pradesh.

5.2 Health

Attainments

The impact of the prevalence of a dualistic structure of the economy with the wide prevalence of poverty is starkly reflected in the incomplete epidemiological transition of the country. The simultaneous prevalence of diseases of poverty such as pulmonary tuberculosis and gastro-enteritis reflecting poor living conditions along with diseases popularly called lifestyle diseases (diabetes, hypertension and the like) that afflict the relatively richer sections of the population brings to the fore the dilemmas in health policy. While the government's focus has to be on reducing the incidence of

[22] For analysis on this aspect, see Dutta et al. (1997) and Prabhu and Chatterjee (1993).

communicable diseases and ensuring that the minimum levels of curative care reach the poorer sections of the population, the demand by the richer sections of the population could divert limited resources into sophisticated tertiary level facilities that they require in urban settings.

The failure of Indian health policy to successfully resolve this conflict is reflected in the poor health outcomes of the population. Though life expectancy in India increased from 49.1 years in 1970 to 62.6 years in 1997, the level is much lower than the 64.5 years achieved in Sri Lanka in the 1970s. The infant mortality rate, a sensitive indicator of health status, declined from a high of 130 (per 1000 live births) in 1960 to 71 in 1997, though it was higher than the level of 43 in 1970 achieved in South Korea in 1960 (UNDP, 1999).

Table 3: State share of government revenue expenditure on socio-economic security in Net State Domestic Product (NSDP): 1981-85 and 1991-95

States	Elementary education (E)		Primary health (H)		Nutrition (N)		EHN		Assets		Employ-ment.		Assets and employ-ment		Social assistance		Total	
	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95	81-85	91-95
	[1]		[2]		[3]		[4=1+2+3]		[5]		[6]		[7=5+6]		[8]		[9=4+7+8]	
Assam	1.60	2.92	0.12	0.42	0.07	0.04	1.78	3.38	0.09	0.23	0.11	0.07	0.20	0.30	0.45	0.20	2.45	4.30
Andhra Pradesh	1.40	1.19	0.16	0.33	0.02	0.04	1.59	1.56	0.23	0.29	0.23	0.29	0.46	0.58	0.14	0.19	2.19	2.66
Bihar	2.16	2.16	0.18	0.41	0.02	0.03	2.35	2.60	0.26	0.22	0.31	0.81	0.57	1.04	0.73	0.51	3.65	4.56
Gujarat	1.23	1.60	0.15	0.27	0.06	0.25	1.44	2.13	0.28	0.18	0.07	0.21	0.35	0.39	0.24	0.10	2.02	2.89
Haryana	0.82	0.99	0.15	0.21	0.03	0.08	1.00	1.29	0.13	0.07	0.12	0.10	0.25	0.17	0.13	0.63	1.37	2.31
Karnataka	1.47	1.59	0.16	0.21	0.12	0.16	1.75	1.95	0.22	0.22	0.19	0.21	0.41	0.43	0.37	0.44	2.53	3.04
Kerala	2.67	2.37	0.13	0.36	0.08	0.04	2.88	2.77	0.16	0.12	0.30	0.27	0.46	0.39	0.49	0.39	3.83	3.91
Maharashtra	1.08	0.73	0.15	0.19	0.03	0.04	1.26	0.95	0.04	0.04	0.28	0.29	0.31	0.33	0.17	0.15	1.74	1.62
Madhya Pradesh	1.15	1.81	0.22	0.35	0.06	0.06	1.43	2.22	0.21	0.12	0.17	0.49	0.38	0.61	0.20	0.21	2.01	3.39
Orissa	1.17	1.53	0.22	0.40	0.07	0.12	1.47	2.05	0.26	0.15	0.05	0.55	0.31	0.70	0.21	0.48	1.98	3.64
Punjab	0.87	0.72	0.17	0.26	0.01	0.00	1.05	0.98	0.08	0.02	0.09	0.07	0.16	0.09	0.16	0.26	1.37	1.59
Rajasthan	1.73	2.09	0.20	0.48	0.05	0.08	1.97	2.65	0.25	0.28	0.12	0.33	0.36	0.62	0.11	0.14	2.45	3.89
Tamil Nadu	1.35	1.71	0.10	0.32	0.66	0.62	2.11	2.64	0.27	0.11	0.21	0.31	0.48	0.42	0.27	0.38	2.85	3.76
Uttar Pradesh	1.16	1.67	0.23	0.47	0.03	0.02	1.42	2.16	0.15	0.22	0.26	0.43	0.41	0.65	0.17	0.23	2.01	3.52
West Bengal	1.04	1.16	0.14	0.27	0.03	0.02	1.21	1.45	0.10	0.10	0.11	0.31	0.21	0.41	0.37	0.21	1.78	2.34
Mean	0.92	1.46	0.12	0.02	0.06	0.11	1.58	1.59	0.12	0.15	0.13	0.33	0.25	0.48	0.18	0.26	1.53	2.95
Median	0.01	0.02	0.01	0.02	0.00	0.00	0.02	0.03	0.03	0.02	0.02	0.04	0.05	0.07	0.05	0.05	0.12	0.16

Notes: Health indicator includes expenditure incurred on rural health, public health, and family welfare

Sources: 1) NIPFP Data Bank 2) Prabhu and Iyer (1999) 3) Reserve Bank of India (1998).

Government expenditure

Paradoxically, India is characterised as a country with high levels of health expenditure though attainment levels continue to be low. The country is estimated to be spending around 6 per cent of GDP on health (World Bank, 1995), which is higher than the levels in other South Asian and East Asian countries. The paradox of low government expenditure combined with high overall expenditure is explained by the fact that much of the expenditure is incurred by private households. In fact, private expenditure accounts for 75 per cent of the expenditure whereas public expenditure constitutes only 22 per cent (World Bank, 1995). The relatively high share of public expenditure is not to be construed as an indication of the exercise of choice on the part of individuals. Rather, it points to the relatively high disease burden and unsatisfactory nature of services provided in public facilities. It is also necessary to note that while private health facilities are utilised to a greater extent by the richer sections of the population, government facilities are an important source of health care for the poorer sections of the population.[23]

In terms of proportion of GDP spent on health care by the government, the levels have been lower than 2 per cent of GDP since the mid-1980s though the ICSSR-ICMR joint panel (1981) recommended a level of 6 per cent. Apart from the low level of overall expenditure, the pattern of expenditure is skewed in favour of tertiary level facilities (Prabhu 2000). Measures at the primary level are much more critical in influencing health outcomes than at the tertiary level. This is a state responsibility. A perusal of the data in this respect indicate a very low proportion of Net State Domestic Product (NSDP) being incurred on primary health (that includes public health, family welfare) at less than 0.5 per cent in all the states shown in Table 3.

Evaluation

Considerable disparities continue to exist between the rich and the poor in terms of type of health facilities utilised. This has repercussions for the cost of treatment as a proportion of total household consumption expenditure, termed 'burden of treatment' by Krishnan (1995). The relative burden of treatment for the bottom 10 per cent of rural population in government hospitals varied between 30 per cent in Kerala to 230 per cent in Assam, Bihar, Haryana, Punjab, Rajasthan and Uttar Pradesh. It is evident that in these latter states, the poor had to incur debt in order to seek medical treatment even from government sources. The burden of treatment has been much higher for treatment from private sources (Krishnan, 1995).

Government provision of health infrastructure has also been skewed in favour of tertiary facilities with nearly four-fifths of the health infrastructure located in urban areas. In 1991, rural areas where nearly three fourths of the country's population resides, accounted for only 32 per cent of hospital beds in the country (Duggal et al., 1995). Even where the infrastructure exits, the quality of services rendered has been

[23] Income group data points out that 40 per cent of the illness episodes in the poorest 20 per cent of the households were attended by government doctors as compared to 25 per cent in the top 20 per cent of the households (National Council of Applied Economic Research, 1992).

poor on account of the bulk of government expenditure being pre-empted by salaries with a very small proportion being available for equipment and medicines.[24] The net result of such policies has been a very low utilisation of public infrastructure for health, particularly in primary care.[25] Health insurance has not been prevalent in the country except for organised sector workers who are covered under the Employees State Insurance Scheme (ESI). A scheme of health insurance whereby the government undertakes to pay the premium of the poor has been suggested by Krishnan (1996).

5.3 Nutrition

Attainments

A society is considered to be food secure when it has both economic and physical access to food for an active and healthy life (World Bank, 1986). Nutrition security refers to the realisation of the potential for food security[26] (Suryanarayana, 2001). Food and nutrition security are normally judged by examining the actual food and calorie intake with respect to certain stipulated norms which are 2,400 calories and 2,100 calories per capita per diem for rural and urban sectors respectively (Suryanarayana, 2001), though such a procedure is not considered acceptable by some nutritionists (Sukhatme, 1982). The nutritional status of the Indian population is not satisfactory when judged from the above-mentioned norms. As per the NSSO data for 1993/94, 80 per cent of rural population and 70 per cent of urban population had calorie intake below the stipulated norms. The poorest 30 percent of the population, nearly 300 million, consumed, on an average, less than 1,700 calories per day whereas the poorest 10 per cent of the population consumed less than 1,300 (Shariff and Mallick, 1998). The latest data for the year 1998/99 provided by the National Family Health Survey (NFHS) indicates that at the all-India level, the percentage of children (under age 3) underweight (weight for age) was 51.5 per cent, stunted (height for age) 47.1 per cent and wasted (weight for height) 19.3 per cent[27] (NFHS, 2000). The trends in food production, consumption and distribution in the country are examined against this background.

[24] The share of drugs and supplies in total government health expenditure in 1985-90 was 15 per cent while salaries accounted for 62 per cent (World Bank, 1995). The composition of shares of salary and non-salary expenditure in total government health expenditure respectively during the period 1983-1987 in China was 18 and 56 per cent, Korea 8 and 57 per cent. The proportionate share of expenditure incurred on both the components was equal at 44 per cent in Sri Lanka. In contrast, the percentage share on salaries was higher at 51 per cent, which meant a lower non-salary expenditure at 42 per cent in India (Griffin, 1992).

[25] At the all-India level primary health centres accounted for only 8.2 and 5.8 per cent of all cases treated in rural and urban areas respectively (NCAER, 1992).

[26] Food security may be considered from the point of view of chronic insecurity or transient insecurity, The former is due to poverty, the latter could be due to risks related to access and availability of food during the off-season, or in drought years or in inflationary years (Chelliah and Sudarshan, 1999, p.72).

[27] What is even more disconcerting is that the extent of deprivation has been rising rather than declining during the 1990s coinciding with the initiation of the process of economic reforms in the country. Thus, in 1992/93, the figures for underweight children was 46.7 per cent, stunted was 44.9 per cent and wasted 15.7 per cent (NFHS, 2000).

The annual rate of growth of production of food grains in the country increased rapidly from 2.1 per cent during the 1960s to 3 per cent in the 1970s and further to 3.8 per cent during the 1980s. Thus, during the period 1960-1980, food production barely kept pace with the rate of growth of population which increased at the rate of over 2 per cent per annum. Since the 1980s, however, the per capita food production increased at the rate of 1.6 per cent per annum. Whereas the relative price of food grains declined during the 1970s and 1980s, though there was a rise in the first half of the 1990s. Given that the food price elasticity estimates for cereals of the poor has been fairly high (-0.623 in 1993-94), it is not surprising that there has been a slowdown in the downward trend in poverty (Chelliah and Sudarshan, 1999).

Growing commercialisation of agriculture during the 1960s involved a change in the cropping pattern towards superior cereals like rice and wheat as compared to coarse cereals like jowar, bajra, ragi and others. This has led not only to a decline in the availability of coarse cereals, but also to a change in the overall cereal consumption basket in favour of superior cereals. While diversification of the consumption basket caused a rise in per capita consumption expenditure, preference for variety has caused a fall in cereal consumption pattern across both rural and urban areas. Change in consumption patterns has been at the cost of calorie intake[28] with a decline being recorded (per consumer unit) not only in calorie intake but also in protein[29] though there has been a slight increase in fat intake, particularly in urban areas (Suryanarayana, 2001).

Public provisioning

The government's response towards the considerable food and nutrition insecurity experienced by poor households has been to implement a programme of public distribution of food grains. The Public Distribution System (PDS) was initiated in the 1960s in response to food shortages until the 1970s was confined to urban areas and was intended as a measure towards price stabilisation. The welfare dimension of the PDS gained importance in the 1980s in the context of other poverty alleviation programmes. Its coverage was extended to rural areas and the quantum of food distributed through the PDS increased from 6.5 million tons during 1961/65 to 18.4 million tons in 1990/92 (Chelliah and Sudarshan, 1999).

The PDS is an untargeted programme, which has been widely considered to have an urban bias. Moreover, the states with a high incidence of poverty such as Bihar, Orissa and Madhya Pradesh received a lower share of PDS supplies as compared to

[28] The average per capita calorie intake per diem, which ranged from 2,266 and 2,511 between 1961/62 and 1973/74, declined in 1993/94 to 2,153 calories in rural India. The scene in urban India was similar where the per capita intake per diem fluctuated between 2,003 and 2,107 between 1961/62 and declined to 2,071 by 1993/94.

[29] The intake of calorie per rural consumer unit per diem declined from 2,781 calories in 1983, the protein consumption declined from 78 grams to 75 grams, while the fat intake increased from 78 grams to 79 grams to 2,683 in 1993/94. In urban areas calorie intake declined from 2,574 calories to 2,542 calories, protein intake marginally increased from 70 gram to 70.2 grams, while fat increased considerably from 46 grams to 52 grams (Suryanarayana, 2001).

other states such as Andhra Pradesh and Kerala that implement highly subsidised food distribution programmes. However, Radhakrishna et al (1996) considered that the major issues contributing to the malfunctioning of the PDS are the universal character of the programme and regional mistargeting rather than an urban bias which was evident only in two states, viz., Jammu and Kashmir and West Bengal.

Evaluation

The effectiveness of the expenditure incurred on the PDS has been quite poor. Parikh (1994) estimated that for every one rupee spent on the PDS, less than 22 paise reached the bottom 20 per cent of households, except in the state of Goa where the amount that reached the poor was slightly higher at 28 paise. Radhakrishna et al (1997) point to negligible welfare gains from the PDS as the subsidy provided tended to be low on account of low offtake[30]. Moreover, it did not raise the calorie intake of the poorest sections of the population. Overall, the PDS has been riddled with inefficiencies and poor functioning, though the abandonment of the PDS can hardly constitute a solution to the problem.

The PDS has been an important source of food only in those states where the provision of food grains has been highly subsidised. An important example in this regard is that of Andhra Pradesh, although the fiscal burden of such provision has been high. The highly subsidised provision of rice has also led to nutritionally undesirable outcomes (Box 1). Other states such as Tamil Nadu have implemented schemes such as the Mid-Day Meal Programme (MDM) for school children that linked up attendance in schools to provision of food. Tamil Nadu has also been in the forefront in implementing schemes for providing nutrition to other vulnerable groups such as pregnant and destitute women and the aged[31] and the like.

6. Asset and employment programmes: Level II measures

An important feature of the provision of income security to the poor in India has been the formulation and implementation of a large number of schemes to alleviate poverty. This was carried out initially through asset distribution programmes whereas in more recent years, the emphasis has been on employment generation programmes. We discuss in what follows the salient features of schemes in each of these two broad categories.

6.1 Asset distribution programmes

Objective and coverage

The Integrated Rural Development Programme (IRDP) was initiated in 1978/79 in 2,300 blocks though it was quickly extended to the entire country during the Eighth

[30] Off-take is a term used to refer to the amount of food grain actually purchased by the state and then distributed to fair price shops.

[31] For more details regarding nutrition programmes in Tamil Nadu, see Rajivan (1999).

Plan period (1980/81-1984/85. The IRDP is a self-employment programme with two other sub-programmes; viz., the programme for Training for Rural Youth for Self-Employment (TRYSEM) and Development of Women and Children in Rural Areas (DWCRA). An additional programme of distribution of toolkits was added to the IRDP later on.

Box 1. Rice subsidy scheme in Andhra Pradesh

One of the much publicized schemes for poverty alleviation in Andhra Pradesh has been the '2 Rupees a Kilo' rice scheme implemented in the state since December 1982. It applies to families who have an annual income of Rs.6,000 or less, or have less than 1.5 acres of irrigated land assured irrigation, or 2.5 acres land under other irrigation, or 3 acres of land under commercial crops or 5 acres of land under other crops are eligible to receive rice at a subsidized rate from the public distribution system. These families were given separate cards, initially called green cards and currently called white cards, which enabled the beneficiaries to draw 5 kg of rice per capita, subject to a maximum of 25kg from the rural fair price shops at the subsidized rate of Rs.2 per kg. In August 1996, the price of rice was raised to Rs.3.50 and the maximum amount of rice per family was restricted to 20 kg. The state government subsidizes the difference between the issue price of the Food Corporation of India and trading costs. The scheme covered about 70 per cent of the population though then proportion of poor population in the state was about 30 per cent (Radhakrishna, 1997, p.49). The scheme has been observed to result in a progressive welfare transfer.

The income transfer of the rice scheme to the poor in the year 1986/87 was Rs.35.64. In order to transfer one rupee of benefit to the poor through the scheme, public spending is of the order of Rs.6.35. Such a high cost is due poor targeting of the scheme, leakages to the non-poor being of the order of 54 to 57 per cent, and high costs of administering the programme, about 26 to 27 per cent. If the scheme were to be perfectly targeted, the annual income gain to the poor would be of the order of Rs.129.06 (Radhakrishna and Subbarao, 1997, pp. 50-54).

The subsidy burden has risen steadily from Rs.786.9 million in 1986/87 to Rs.7515.7 million in 1994/95 (Government of Andhra Pradesh, 1997, p.2). It has also been noticed that since 1986/87 there has been a deceleration in gross capital formation in agriculture and that the share of the public sector in such capital formation fell from 65.7 per cent in 1986/87 to 43.1 percent in 1991/92. The emphasis on rice has also been responsible for the high administrative costs. Had the scheme focused not only on rice but on food grains as a whole, it would have been possible to procure and distribute the food-grains grown and consumed locally thus lowering substantially the costs of procurement, storage and distribution. This would have automatically plugged the leakage as well, for the middle class preference for rice would have ensured that they would not try to infiltrate the scheme and appropriate its benefits for themselves.

This overemphasis on rice has also been detrimental to the production and consumption of coarse cereals such as jowar and ragi that are produced mainly in dryland regions. Not only has the production of these crops declined, mainly due to the reduction of land devoted to them, but also the lack of policy thrust on these crops has meant stagnation at low-income levels for the farmers in dry land regions. Furthermore, the rice scheme has meant imposition of a nutritionally inferior consumption pattern on the majority of the population. It seems ironical that not only were the production patterns in dry land regions wiped out but conventional consumption patterns replaced are by deliberate state policy involving high costs.

Source: (Prabhu, 1998b)

The main objective of the IRDP was to enable poor households in rural areas with an annual income of Rs.11,000 or less to cross the poverty line. Financial assistance was given in the form of subsidies by the government and term credit advanced by financial institutions.[32] The scheme also provide for certain norms of coverage of SC, ST and women.[33] A total amount of Rs.137 billion was invested in the programme from its inception until 1998/99, which benefited about 54 million families. Of the total number of families assisted under the programme, 44.8 per cent were SCs and STs and 27.1 per cent were women. There was an emphasis on primary sector activities in the initial years, consisting mainly of distribution of livestock, though in the later years there was some diversification. In 1998/99, primary sector activities accounted for 50 per cent of total assisted cases, with secondary and tertiary sector cases accounting for 20 and 30 per cent respectively (Sharma, 1999).

Evaluation

The functioning of the IRDP has been considered to be unsatisfactory. The programme is widely perceived as one that was plagued by ineffective implementation while the income earned from employment programmes was rarely been sufficient to lift the people above the poverty line.[34] In physical terms, IRDP assets generated an incremental income of more than Rs.2,000 each for only 56.6 per cent of assisted families, and an additional income of Rs.1,000 to Rs.2,000 in 9.4 per cent of cases and less than Rs.1,000 in 4.8 per cent of cases. In about 29.3 per cent of cases, IRDP assets did not generate any income (Chelliah and Sudarshan, 1999).

Secondly, even though the programme was to be an integrated programme, it did not establish any linkage with other programmes such as the TRYSEM. Only 3 per cent of the IRDP beneficiaries received training under the TRYSEM and only 23 per cent of those trained under the TRYSEM received assistance under the IRDP. Thirdly, the identification of activities tended to be arbitrary with viability and sustainability aspects often ignored (Sharma, 1999).

Reorientation

In view of these limitations, the schemes of IRDP, TRYSEM, DWCRA, Supply of Improved Toolkits and Ganga Kalyan Yojana were merged with effect from April 1999, to constitute the Swarna Jayanti Gram Swarojgar Yojana (SGSY), which is intended to function as a single self-employment programme. The objectives of the SGSY are stated to be a focused approach to poverty alleviation, capitalising on the advantages of group lending and overcoming the problems of the multiplicity of programmes. The SGSY

[32] The pattern of subsidy has been fixed at 25 per cent for small farmers, 33.33 per cent for marginal farmers, agricultural labourers and rural artisans, and 50 per cent for the Scheduled Castes and Scheduled Tribes (SC and ST) and the physically handicapped.

[33] Within the target group, there is a required coverage of 50 per cent for SCs and STs, 40 per cent for women and 3 per cent for physically handicapped is required.

[34] The evaluation of the IRDP programme in 1993 indicated that only 14.8 per cent of assisted families could cross the poverty line (Chelliah and Sudarshan, 1999). In the case of JRY (see p. 28), the self-targeting nature of the programme has meant less scope for leakages. The extent of employment generated, 11 days on an average per person in 1993/94, at an average wage of Rs.20 per day has meant that the amount of additional income generated, Rs.300 per person per annum (Sharma, 1999) is too meagre to make any impact of the levels of living of the poor.

aims at providing a large number of micro enterprises in rural areas with an emphasis on the cluster approach. Income generating assets are being provided through a mix of bank credit and government subsidy, to ensure that an assisted family obtained a monthly net income of at least Rs.2,000. SGSY is funded by the centre and the states in the ratio of 75:25.

6.2 Workfare programmes

The concept

The problem of unemployment and underemployment in labour surplus developing countries cannot be sorted out by means of unemployment insurance as the burden on government finances would be very heavy (Nayyar, 1996). Hence, the usual mechanism adopted by governments to provide a modicum of income security to the poor has been through the implementation of employment programmes, which are currently referred to as constituting 'workfare'.

Workfare can be defined as a government-administered policy whereby those in need and without regular employment are obliged to undertake work-related activity in return for state income transfers (Standing, 1990, p.680). The concept of workfare can be traced to the 1834 Poor Law Commissioners' proposal to place the poor in workhouses in the U.K. (Besley and Coate, 1992). Workfare programmes have been advocated on two main grounds, viz., they serve as a screening instrument for targeting transfer payments and that they may serve as a deterrent and a device to encourage poverty reducing investments. The analysis of Besley and Coate demonstrated that the former is true in cases where masquerading is widespread, which is likely to be the case in developing countries such as India, and the latter is true only if the government imposes a considerable work requirement on the part of the poor.

Objections

Notwithstanding these requirements, workfare programmes have been popular in recent times on account of several perceived advantages.[35] Standing (1990) examines several of these arguments and finds limited analytical support in favour of such programmes. He points out that workfare programmes are based on certain questionable propositions such as the need for inculcating values into workers, the need to match rights with obligations, and an assumption that welfare promotes dependency. The impact of workfare programmes on poverty alleviation has been quite limited and such

[35] Generally workfare programmes have also been advocated for increasing the ability of the government in improving the ability of its citizens; imposing a work test which is the most effective test of need; raising longer term income of participants above what they would receive from welfare programmes; reducing unemployment directly as well as indirectly by discouraging welfare claimants from registering as unemployed job seekers; exerting downward pressure on wages and boosting employment indirectly; constituting a means of enhancing skills; and reducing the social cost of welfare system by generating extra output and hence tax revenues. Other advantages claimed are that it inculcates a work ethic diminishes the importance of the black economy and restores equity in welfare; it increased political support in general (Standing, 1990).

programmes have in fact introduced distortions into the lower end of the labour market. This "smacks of economic engineering that distorts market mechanisms in a very deliberate way" (Standing, 1990, p.685). Instead of combating unemployment, workfare programmes may actually raise frictional unemployment. Even the more mundane argument that workfare can reduce welfare expenditure is also dubious owing to high enforcement and other administrative costs. More seriously 'workfare stigmatises the poor by associating certain activities with prior failure and by eroding the universal right to income support even further than the recent labour market developments have done' (Standing, 1990, p.689).

Indian scene

In India, workfare programmes have been preferred mainly on account of their being self-targeting in nature and their ability to provide a direct source of income to the poor. The earliest programme for providing employment has been the Food for Work programme initiated in 1970. Subsequently, other programmes such as the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP) were started with the objective of providing gainful employment to the unemployed and underemployed as well as of contributing to the building up of rural infrastructure. The NREP and RLEGP were merged and from 1 April, 1989, the Jawahar Rojgar Yojana (JRY) was implemented as a national level programme for employment generation. There are two sub-schemes under the JRY, viz., the Indira Awas Yojana (IAY), which aims at providing housing to the poor, and the Million Wells Scheme (MWS), which is aimed at providing open irrigation wells to the poor, SC and ST farmers and bonded labourers free of cost (Chelliah and Sudarshan, 1999). In 1993-94, a major change was introduced in the JRY in that a certain amount of funds were provided on the basis of pre-determined criteria to every village for utilisation towards employment generation in various works decided by the village panchayat itself within the overall guidelines laid down by the central and state governments (Sharma, 1999).

i) Jawahar Rojgar Yojana (JRY)

Objectives

The main objective of the JRY was to generate additional gainful employment for the unemployed and the underemployed in rural areas for people below the poverty line. Since 1993/94, the JRY has been made more target-oriented and its coverage expanded substantially. The JRY has been divided into three streams, viz., JRY 1st stream with 84 per cent of total allocation; JRY 2nd stream with 10 per cent of total allocation for 120 selected backward districts of which 12 districts were those with concentration of unemployment; and JRY 3rd stream for innovative projects, aimed at preventing of migration of labourers, enhancing women's employment, at special programmes through voluntary organisations and at drought proofing and watershed development.

Benefits

Since its inception upto the year 1996/97, the states utilised an amount of Rs. 251,903 million under the JRY, generating an employment of 6,385 million person days. Of the total employment generated, the share of SCs/STs was 3,659.5 million person days (55.6 per cent) and that of women (25.5 per cent). Besides generating supplementary employment mainly comprising casual labour, the JRY also contributed to the development of rural infrastructure.[36]

Evaluation

A concurrent evaluation of the JRY undertaken by the Planning Commission in 1993/94 revealed that nearly 82.2 per cent of the available funds were spent on community development projects, with the construction of rural link roads receiving the highest priority. The evaluation report pointed out that 57.4 per cent of the elected panchayat heads did not have any training for implementation of JRY works. Shortage of funds led to 49.5 per cent of works not being completed on time. The share of women in the employment generated was poor (women's share in employment was only 16.6 per cent as against 30 per cent provided for in the scheme) and there were differentials in the wages paid to male and female workers. Locally available material was not used adequately in several JRY works, leading to cost overruns. Annual action plans were not discussed at Gram Sabha (village council) meetings thereby reducing the role of the community in implementation of the works (Chelliah and Sudarshan, 1999).

The amount of employment generated by the JRY was too insufficient to lift the concerned people above the poverty line. In 1993/94, the average employment generated per participant was 11 to 15 days in a reference period of 30 days at a wage rate of about Rs.20 per day, which translated into a supplementary income of Rs.300 per month per household, constituting roughly 40 per cent of the threshold income considered as a cut-off point for identifying poor households. The total employment generated under the JRY was 9.6 per cent of all labour force days in the surveyed regions. A thin spread of funds has been a major problem. Based on this evaluation, the JRY was restructured on 1 January, 1996. The two sub-schemes under the JRY, viz., IAY and the MWS were made independent schemes and the 2nd stream of JRY was merged with the EAS as part of this restructuring. Sharma (1999) suggested that the programme be concentrated only in those areas with chronic poverty and unemployment as the current mechanisms to ensure the flow of funds to relatively poor areas do not seem to be functioning effectively.

ii) Employment assurance and other schemes

Objectives and coverage

Another employment generation scheme, viz., the Employment Assurance Scheme (EAS), was launched on 2nd October, 1993, in 17,788 backward blocks and universalised the cover to all 2,475 rural blocks in 1997. Its aim has been to provide 100 days of unskilled manual work up to two members of a family in the age group of 18 to 60 years during the agricultural off-season for persons normally residing in villages. Since it is a need-based programme, no target of employment generation has been set.

[36] This included creation of medium irrigation works, soil conservation works, land development, drinking water wells, rural roads, construction of school buildings, panchayat offices, women's club buildings, housing and sanitation, and social forestry (Chelliah and Sudarshan, 1999).

In addition to the above scheme, the Prime Minister's Rojgar Yojana (PMRY) was launched on 2 October, 1993. The PMRY aimed at helping educated unemployed youth in establishing self-employment ventures. The scheme was initially implemented in urban areas and extended to rural areas in 1993-94. In addition, the Nehru Rojgar Yojana (NRY) consists of three sub-schemes for the benefit of the urban poor, viz., Scheme of Urban Micro Enterprises (SUME), Scheme of Urban Wage Employment (SUWE) and Scheme of Housing and Shelter Upgradation (SHASO).

6.3 Evaluation of workfare programmes in India

As is evident, there are a plethora of employment schemes initiated by the Union government for different target groups. The amount of employment provided by each of the programmes is limited and none of them, taken singly, would be able to provide income security for the poor. Moreover, as there is no detailed planning of the assets that would be created by such employment, the avowed aim of creation of rural infrastructure that is durable and of substantial benefit to the local populace, is not achieved. Another failing has been the lack of linkage with other programmes such as that of subsidised food distribution. There were experiments regarding the distribution of wages in kind, particularly food grains. However, the poor quality of grains distributed[37] and the logistic problems in procurement, transport and distribution of food grains have led to poor success of these programmes and to their eventual cessation. Moreover, employment creation is still considered an act of welfare rather than a right. The notable exception to this is the Employment Guarantee Scheme in Maharashtra where it is legally binding on the district administration to provide unskilled employment within a specified period to those persons above 18 years of age residing in rural areas. However studies indicate that the implementation of this legal provision has not always been forthcoming (Acharya, 1990).

7. Statutory measures of social security: Level III measures

The provision of statutory measures of social security in the conventional sense is a joint responsibility of the union and state governments as the subject falls under the concurrent list. The Ministry of Labour is responsible for national policies on subjects such as industrial relations, wages, employment, welfare, and social security of workers, which are in the seventh schedule of the Constitution of India. The implementation of labour policy, however, is the responsibility of the state governments except where defence, railways, mines and ports are concerned as these are governed by central statutes. The Directorate of Labour Bureau, Ministry of Labour, is responsible for collection and publication of all information on occupational health, welfare and accidents.

Statutory measures maybe considered under two heads, viz., Employers' Liability Schemes and Contributory Social Insurance Schemes.

[37] A field survey of workers employed on Maharashtra's Employment Guarantee Scheme indicated that they preferred to obtain wages in cash rather than in food grains as the quality of such grain was very poor (Prabhu, 2001).

7.1 Employer's liability schemes

The main Acts that come under the category of Employers Liability are the Workmen's Compensation Act 1923, Maternity Benefit Act 1961 and Payment of Gratuity Act 1972. Issues regarding coverage and benefits provided are discussed in the following paragraphs.

Workmen's Compensation Act, 1923

Coverage and Benefits

The Workmen's Compensation Act is not only one of the oldest pieces of legislation that affords legal protection to workers, it also extends to whole of India and covers workers without any wage limit. The only exception is that it is inapplicable where the provisions of the ESI Act afford a similar cover. This Act makes it obligatory for the employer to pay compensation to workers for accidents and diseases arising out of and in the course of his/her employment resulting in death or total or partial disablement by reasons other than his/her own wilful misconduct or negligence. Benefits for temporary disablement represent usually a half-monthly payment at prescribed rates, whereas a lump-sum amount is payable for death and for permanent disablement (total or partial) related wages (and the degree of disablement in case of permanent disablement).[38] In 1993, the coverage of the Act was confined to 18.3 per cent of workers employed in factories. It is significant to note that though the scheme provides for payment of compensation, it does not provide for medical treatment.

The functioning of the scheme depends to a great extent on the awareness of the workers regarding the legal provisions and their ability to claim compensation. The role of the trade unions in ensuring workers' rights is also important here. Given that a large number of workers in India are illiterate and do not have much knowledge regarding their rights, the benefits received are likely to be much lower than provided for. The trade unions in India have also not been very active in agitating for such claims.

Evaluation

There has been a sharp decline in the number of claims since the mid-1980s, coinciding with the initiation of the first phase of liberalisation in the Indian economy, with a further sharp decline after the reforms were officially initiated in 1991. Given the hazardous nature of production processes in the Indian manufacturing sector and the necessity for cost reduction that the process of globalisation implies, it is very unlikely that the incidence of accidents and deaths were substantially lower than in earlier years. What is more probable is that given the increasing resort to flexible arrangements of hiring in labour, the workers have been hesitant to press their claims even when so warranted. With respect to the amount of compensation paid, the average amount paid

[38] The maximum amount payable for total permanent for death ranges from a minimum of Rs.50,000 to a maximum of Rs.2,28,000. In the case of disablement, the compensation is required to be paid at the rate of 50 per cent of wages for a maximum period of 5 years which could range between Rs.60,000 to Rs.2,74,000 (GOI, Ministry of Labour, 1998, p.53).

for death increased in nominal terms from Rs.47,181 in 1990/91 to Rs.68,319 in 1995/96, though in real terms (at 1980/81 prices), there was a decline from Rs.28,948 in 1985/86 to Rs.18,747 in 1995/96 indicating the fact that the amount of compensation paid has not kept pace with the rise in price level. In cases of permanent and temporary disablement, the average amount paid was Rs.32,150 and Rs.1,010 in nominal terms and Rs.5,371 and Rs.77 in real terms in 1995/96 respectively.

The Maternity Benefit Act, 1961

Coverage and benefits

The Maternity Benefit Act extends to the entire country except the state of Sikkim and applies to every factory, mine, plantation and circus industry except the factories and establishments to which the provisions of the Employees' State Insurance Scheme (ESIS), are applicable. The state governments are empowered to extend the provisions of the Act to any other establishment subject to the prior approval of the union government. It is significant to note that as for the Workmen's Compensation Act there is no wage limit for the application of this Act. The Act was amended in 1988, the main provisions, implemented in 1989 being the extension of the scheme to shops and establishments employing 10 or more workers, reducing the qualifying period for eligibility from 160 days to 80 days and enhancing the medical bonus payable to workers. Under the scheme, actual absence from duty is permitted up to 12 weeks of which not more than 6 weeks can be taken before the delivery date. The state governments are responsible for the implementation of the Act in factories, plantations and establishments whereas the central government is responsible for its implementation in mines and the circus industry.

Evaluation

In 1995, the total number of women workers employed in factories covered by the Maternity Benefit Act was 205,000 of whom 0.5 per cent claimed maternity benefit. The average amount paid was Rs.6,824. In the case of mines, the average number of women employed in 1994 was 10,400 of whom 7.8 per cent claimed the benefit. The average amount paid was Rs.2,947, less than half the amount paid to women in factories.

A perusal of the trends in the amount of benefit received in real terms (1980/81 prices) indicated that in the case of factories, the amount increased from Rs.384 per capita in 1969-74 to Rs.1,010 in 1980-85 and further to Rs.1,627 in 1992-96. In the case of mine workers, the level was higher than that paid in the factories in 1969-74 at Rs. 625. This increased to Rs.950 in 1985-90 though it declined to Rs.869 in 1992-96. Thus, during the 1990s, the average amount paid towards maternity benefit in real terms was about 87 per cent higher in factories than in the mining sector.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act extends to the whole of India except the state of Sikkim and plantations in the state of Jammu and Kashmir. It applies to all establishments employing 10 or more employees in establishments using power and 20 or more employees if not using power. An employee was defined as any person (other than an apprentice) employed on wages not exceeding Rs.3,500 per month with effect from December 1st 1992 in any establishment, factory, mine, oilfield, plantation, port, railway, company, shop or motor transport undertaking. Gratuity is payable to all employees who have completed five years of continuous service. In the case of death or cessation of work due to permanent disability, the condition of five years of service does not apply. Benefit is at the rate of 15 days pay for every completed year of service subject to a monetary ceiling of Rs.50,000. The Act was amended in May 1994, abolishing the eligibility wage ceiling and raising the ceiling for Gratuity Payment from Rs.50,000 to Rs.100,000.

7.2 Contributory social insurance schemes

Among the contributory social insurance schemes, the important ones are the Employers' Provident Fund and Miscellaneous Provisions Act, and Employees' State Insurance Act (ESI).

Employees Provident Funds and Miscellaneous Provisions Act, 1952

The Employees Provident Fund (EPF) Act, contains three schemes, viz., a) The Employees Provident Funds Scheme, 1952, b) The Employees Deposit Linked Insurance Scheme, 1976 and c) the Employees' Pension Scheme, 1995.

Coverage

Though the EPF Act was initially applicable to factories and establishments falling within six specified industries, over a period of time the coverage expanded. The Central Provident Fund Commissioner is the Chief Executive Officer of the Employees' Provident Fund Organisation and is the Ex-Officio member of the Board. The Employees' Provident Fund Organisation, apart from the Central Office located at Delhi, has 85 field offices throughout the country.

In 1997, the EPF Act applied to 177 industries and establishments employing 20 or more workers. The initial wage ceiling of Rs.3,500 per month was raised to Rs.5,000 per month with effect from October 1st 1994. The rate of contribution to the provident fund by the employees and the employers prescribed under the Act, 8.33 per cent, was raised to 10 per cent of the wage of the employees with effect from September 22nd 1997.[39] At the end of March 1997, 0.28 million establishments with 20.29 million subscribers were covered under the EPF scheme.

Other related schemes

The Employees Deposit Linked Insurance Scheme came into force in 1976. All the members of the EPF are automatically made members of this scheme also. The

[39] The Act also empowers the Central Government to enhance the rate of contribution to 12 per cent of wage in respect of any industry or class of establishments. Such enhancement has been carried out for 172 categories of establishments.

employees however, are not expected to contribute to the Insurance Fund but the employers are required to pay at the rate of 0.5 per cent of wages. On the death of a member while in service, the legal heirs are paid an additional amount equal to the provident fund accumulation in the account of the deceased subject to a maximum of Rs.35,000. During 1996-97, there were 20,771 claims settled and an amount of Rs. 208.3 million disbursed.

The Employees' Pension Scheme is a compulsory scheme for all the members of the Family Pension Scheme, 1971 and for persons who have been members of the Provident Fund (PF) from 1995, the date of introduction of the scheme. The PF subscribers who have not opted for the Family Pension Scheme are also eligible to join the Pension Scheme. A minimum of 10 years' contributory service is necessary for drawing benefits. The normal pension is payable at 58 years of age and also in the event of permanent total disablement and death during service. The amount of pension varies depending on pensionable service and pensionable salary. There is also a provision for withdrawal of pension for certain specified purposes. The scheme also includes provisions for pensions for widows, children as well as orphans. In 1997, there were 246,430 widows, 27,181 children and 238 orphans and 66,339 retired persons getting pensions amounting to Rs.2,979.7 million.

Benefits

In case of death of an employee covered under the scheme while in service, the dependants are entitled receive the provident fund accumulations and additional amount equal to the provident fund in the account of the deceased subject to the maximum of Rs.35,000 (GOI, Ministry of Labour, 1998, p.55).

Evaluation

Since the coverage of the EPF is confined only to the organised sector, its benefits are limited to a small proportion of the workforce. Moreover, since it applies only to establishments employing more than 10 workers if using power and 20 workers if not using power, the coverage of the Act is limited further. The Act also does not apply to co-operative societies, which constitute an important source of employment, particularly in the agricultural sector. It is also not applicable to contract workers and to establishments under the control of the central and state governments on the grounds that they are entitled to contributory provident fund and old age pension. The wage ceiling of Rs.5,000 per month also excludes a sizeable proportion of the employees from its benefits. In view of these limitations, the Task Force on Social Security (GOI, Ministry of Labour, 1999) made the following recommendations regarding the Scheme.

- The Schedule of Industries for extension of coverage of the EPF should be dropped.
- The employment threshold for coverage should be brought down to 10 immediately and to 5 in the next 3-5 years and to 1 in a short time-frame thereafter.
- The wage ceiling should be removed immediately and ceiling for contribution and benefits should be fixed at an appropriate level with a provision for quinquennial review to keep pace with the national wage structure

Employees State Insurance Scheme (ESIS), 1948

History

The formulation and subsequent implementation of the Employees State Insurance Act in 1948 was preceded by long deliberations regarding the feasibility of adopting the provisions stipulated by the ILO Conventions No. 24 and 25, 1927 dealing with the provision of sickness insurance for workers in industry and commerce and agricultural workers. The feasibility of these Conventions was examined by Adarkar (1944) which suggested suitable modifications to make it applicable in the context of Indian conditions. Prof. Adarkar mentioned certain important assumptions that were implicit in the adoption of a scheme of health insurance for workers. These were (a) the early adoption of a scheme of unemployment insurance and creation of new employment, (b) the establishment of old age pensions, (c) the adoption and enforcement of certain pre-medical measures such as regulation of wages, rigorous enforcement of factory laws, housing, nutrition, education in health and improvement in environmental hygiene and (d) a national health drive. These conditions would keep low the incidence of diseases and prevent the scheme from being responsible for liabilities that legitimately belonged to other aspects of social security. The recommended scheme was visualised as being compulsory, contributory, financially sound, economical in working and actuarially balanced (Subrahmanya, 1995).

Coverage

In practice, the ESI, which was the first scheme of health insurance in the country, covered in the first instance, non-seasonal, power-using factories employing 10 or more persons and non-power using factories employing 20 or more persons. Currently, workers of covered factories or establishments whose wages do not exceed Rs.6,500 per month are compulsorily covered under the scheme. Workers in seasonal industries, domestic workers, self-employed persons and workers in unorganised sectors are not covered under the scheme. Many state governments have extended the applicability of the scheme to small power and non-power using factories employing less than 20 workers to hotels, shops, restaurants, road transport and other workers in establishments employing more than 20 persons, and workers in beedi manufacturing. The scheme provides for seven types of coverage; viz., medical benefits, sickness benefits, maternity care, disablement assistance, benefits for dependants, funeral expenses and rehabilitation allowance. Except for medical benefits, most of the other items mentioned imply the paying of benefits in cash.

Benefits

Medical care provided includes both out-patient services as well as hospitalisation and preventive health services such as family welfare services and immunisation. Medical care is provided both directly through service system as well as through panel system.[40] The medical benefits under the scheme are of three types: restricted medical

[40] Under the service system, separate State Insurance dispensaries are set up for the beneficiaries. The medical practitioner and other staff are employed as full time employees of these dispensaries. The staff is

care, expanded medical care and full medical care. All the insured persons obtain full medical benefits irrespective of whether the required facilities exist in the ESI hospitals or not. In case of need, the scheme draws upon the facilities in government hospitals and other institutions. Family members are provided with restricted or expanded medical care but not full medical benefits. Medical care is provided directly through a network of dispensaries and 19,496 beds in 125 ESI hospitals and 42 annexes. In addition, under the panel system, 3,000 private clinics of medical practitioners provide treatment to beneficiaries. Specialist services are available in hospital outpatient departments or at separate diagnostic centres in all common specialities. All drugs and medicines are provided free of cost.

Cash benefits for sickness and disability are paid on fulfilling specific contributory conditions. Sickness benefit is paid at the rate of 50 per cent of wages for a maximum period of 91 days. In the case of 29 long-term diseases, the insured person can get sickness benefits at enhanced rates for a longer period of 309 days. Other benefits such as sickness, disablement and dependent benefits are paid at prescribed rates after a due verification process.

Contributions

The Scheme is financed by contributions payable by the employers at the rate of 5 per cent of wages and by employees 2.25 per cent of wages. This was reduced to 4 per cent for employers and 1.5 per cent for workers in 1992. Employees who are in receipt of average daily wages of up to Rs.15 per day are not required to contribute. State governments are to share the cost of providing medical care under the scheme equivalent to 12.5 per cent of total expenditure. There is no assistance forthcoming from the Central government or any other source.

Administration

The ESI scheme is administered by the ESI Corporation, which comprises representatives of the central and state governments, the medical profession and the parliament. A Medical Benefit Council advises the Corporation on all matters concerning medical care. Regional Boards constituted in each state and local committees function in an advisory capacity. Supervision and inspection at the technical level is conducted by the Director of Medical Services in each state. In addition, the Director General and Medical Commissioner at the central level also inspect the ESI facilities.

In 1997, the scheme operated in 632 implementing centres situated in 22 States/Union territories. The scheme covered 7.3 million employees and 32.8 million

largely recruited from state medical services and is transferable to ESI dispensaries as well as other state government dispensaries, hospitals and vice versa. These medical practitioners are not permitted to engage in private practice. In the panel system, medical practitioners having a consulting room and a dispensary are selected by an Allocation Committee for providing services under the ESIS system. The terms and conditions prescribed include maintenance of certain minimum standards of services to be rendered, the duration for which the clinic is to be kept open and conditions regarding ambulatory and domiciliary care, which are verified periodically by the inspectors of the committee. A panel practitioner is paid a capitation fee per insured person family unit per annum, which is revised from time to time. Each medical practitioner is permitted to have up to 750 family units (Subrahmanya, 1995) beneficiaries (GOI, Ministry of Labour, 1998). The main indicators of physical performance of the ESIs over the period 1950/51 to 1995/96 are presented in Table 4, whereas Table 5 presents the main trends in sources of income and expenditure under the scheme over the period 1950/51 to 1996/97. The salient features of the performance are listed below.

Physical performance

- A large proportion of the utilisation of ESI facilities has only been of out-patient care. In fact, since the 1950s, over 98 per cent of the insured persons utilised the services in ESI dispensaries. Less than 1 per cent of insured persons utilised services of ESI hospitals till 1985-90 and it rose slightly above that level only during the 1990s. Under-utilisation of ESIS hospitals has been widely reported. In fact, in 1995, two suburban hospitals in Mumbai reported occupancy rates of 30-40 percent even though other public hospitals in the same area were overcrowded (Minwalla, 1995).
- In terms of claims, sickness benefits accounted for the highest share in the number of claims. 69-85 per cent of total claims during the period 1961-66 to 1980-85 were for sickness benefit. After 1985-90, the share declined to 50 per cent and in the 1990s even further to 23-24 per cent. Next in order of importance was the claim for disablement, which ranged between 4-8 per cent of total claims during the period 196-66 to 1980-85 and rose to 6 per cent during 1985-90 before declining to less than 4 per cent in 1990-95.
- The average amounts paid per capita, for most of the benefits have been rising though they continue to be low when adjusted for inflation. For example, with respect to permanent disability, the amount paid in 1995-96 (the latest year for which such data were available), was Rs.537 in real terms. This is considerably lower than the amount of Rs.8,822 available for permanent disablement for workers covered under the Workmen's Compensation Act in the same year (GOI, Ministry of Labour, various issues).

Financial Performance

- In terms of income, the data indicate that the share of employers' and employees' contribution which ranged between 92-96 per cent between 1969-74 and 1979-80, declined to 86 per cent in 1980-85 and further to 81 per cent in 1985-90 and 73 per cent in 1992-97. The share of interest and dividends in total income has been rising, particularly during the 1990s increasing to over one-fifth of total income during 1992-97.
- In expenditure there has been a change in the composition of benefits accruing to the insured workers. Whereas cash benefits constituted between 44-50 per cent of total expenditure during the period till 1969-74, their share declined to 35-43 per cent until 1985-90 and declined further to less than 25 per cent during the 1990s. The share of medical benefits increased correspondingly and accounted for about 57 per cent of total expenditure of the ESI during the 1990s. This may be considered a positive sign, as cash benefits for sickness are known to be prone to leakages and malpractices.
- An important feature of the expenditure pattern of the ESI is the unduly high amount for administrative expenses that ranged between 18-21 per cent during the

1980s. However, a positive sign is that the share of administrative expenditure in total expenditure has declined to around 15/16 per cent during the 1990s, though even this level is quite high.

- Finally, a curious feature of the ESI has been the surplus of income over expenditure that the scheme has recorded consistently over the years. In fact, the volume of surpluses has been rising steadily indicating the scope for further enhancing the range and quality of services rendered or reducing in the amount of contribution or a combination of the two measures.

Evaluation

ESI, despite being a unique insurance scheme aimed specifically at workers and their families and providing fairly comprehensive social security, has failed in its mission. The main shortcomings of the scheme are listed below.

- The scheme is applicable only to employees whose income is lower than a stipulated ceiling. The limit was originally Rs.3,000 per month, which was revised periodically and currently is Rs.6,500 per month. Since the inflation rate has been quite high, many of the workers get excluded from the provisions of the ESI Act when their income crosses the stipulated ceiling. However, when the ceiling does get revised, as is done at infrequent intervals, the same workers may become eligible for the benefits once again. The lack of a system of a wage ceiling that is indexed leads to the problem of inclusion and exclusion of workers in a haphazard manner. The Task Force on Social Security has recommended that the Act should be amended to provide that an employee once covered should be continued to be covered even after his/her wages exceed the prescribed ceiling as in the EPF Act (GOI, Ministry of Labour, 1999, Para 4.9).

- The ESI has a threshold limit for coverage, which is 10 employees in factories using power and 20 workers in factories not using power. This leaves out a large number of informal sector workers employed in tiny establishments. Though the state governments do extend the scheme to specific categories, it not being a statutory requirement, there is neither uniformity of coverage nor of benefits provided. The Task Force on Social Security (GOI, Ministry of Labour, 1999, para 4.10) has recommended that the threshold limit for coverage be reduced from 20 to 10 immediately and to 5 within a short timeframe eventually removing it altogether.

- The quality of services provided in the ESI medical centres is abysmally poor. This is reflected in the non-utilisation of health services in hospitals. Negligence on the part of workers, la ck of safety in buildings housing hospitals and lack of essential equipment are the usual complaints made (Minwalla, 1995).

Table 4 Benefits under the Employees State Insurance Act, 1948: 1950-95

Item	1950-56	1956-61	1961-66	1966-69	1969-74	1974-79	1979-80	1980-85	1985-90	1990-92	1992-96
A) Average number of factories	n/a	n/a	15 132.8	18 509	23 401.6	44 085.4	67 807	32 524.8	112 694	1415 22	168 313
B) Average no of persons insured under ESI on 31st March	n/a	n/a	2 774 800	363 567	4 382 800	5 838 200	6 850 000	7 120 300	6 980 100	6 815 667	7 426 500
C) Total number utilising ESIS services (in thousands).	2 365	13 511	24 609	35 230	38 742	42 582	42 771	46 124	38 647	31 606	30 659
of which % share i) Dispensaries	99.1	99.2	99.0	98.9	98.7	98.9	98.8	98.8	98.5	98.4	98.2
ii) Hospitals	0.2	0.2	0.2	0.3	0.4	0.5	0.7	0.6	0.8	1.1	1.1
iii) Domiciliary visits	0.8	0.6	0.8	0.8	0.9	0.6	0.5	0.6	0.7	0.6	0.6
D) Disablement benefits											
i) Average no of claims admitted.	12 715	49 494	109 812	198 223	331 369	271 990	457 205	558 953	404 499	261 693	290 568
ii) Average no of claims as % total ESI claims.	n/a	n/a	3.96	5.45	7.56	4.66	6.67	7.85	5.80	3.84	3.91
iii) Average real amount paid per TDB claim (Rs).	0.0	131.4	142.2	147.4	151.9	142.1	194.8	219.9	222.8	208.8	284.3
iv) Average real amount paid per PBD claim (Rs).	0.0	206.2	203.8	175.6	178.5	206.0	182.7	190.9	298.2	440.0	393.0
E) Sickness Benefit											
i) Average no. of claims	118 852	964 752	1 921 209	3 084 000	3 466 200	3 922 200	5 762 000	6 052 200	3 507 400	1 633 333	1 728 500
ii) Average no. of claims as % ESI insured.	n/a	n/a	69.2	84.8	79.1	67.2	84.1	85.0	50.3	24.0	23.3
iii) Average real amount paid per claim (Rs).	72.1	76.8	79.6	81.3	78.6	78.3	103.0	89.1	86.1	84.6	103.4
F) Extended Sickness Benefit											
i) Average real amount paid per claim (Rs. Lakhs).	0.0	0.0	16.1	89.1	188.7	169.4	34.4	257.6	251.8	149.0	123.2
G) Maternity Benefit											
i) Average no of claims / confinements.	394	4 366	8 934	14 742	16 434	19 476	22 676	19 759	16 356	19 308	22 920
ii) Average real amount paid per claim (Rs).	349.1	843.5	952.5	762.5	854.2	675.0	1103.3	996.1	1102.8	1017.0	1113.0
H) Dependent Benefits											
i) Average no. of death cases admitted.	19	91	178	291	393	457	525	813	1 096	1 039	1 274
ii) Average real amount paid per claim (Rs).	2 383.12	31 975.19	36 900.76	33 365.02	36 840.72	38 891.28	43 148.39	40 825.72	47 697.38	41 750.65	47 854.27

Notes: TDB indicates Temporary Disablement Benefit; PDB indicates Permanent Disablement Benefit.

Source: Government of India, Ministry of Labour, *Indian Labour Statistics and Pocket Yearbook of Labour Statistics*

Table 5 Income ad expenditure of employees' State Insurance Corporation, Year ending 31st March: 1950-97

	1950-56	1956-61	1961-66	1966-69	1969-74	1974-79	1979-80	1980-85	1985-90	1990-92	1992-97
A) Income (Rs. millions)	226.84	190.05	462.57	666.93	883.43	1 434.35	1 727.98	1 663.62	2 022.94	17 555.00	1 840.17
of which % share											
i) Contribution from both employers & employees	95.6	92.7	93.9	96.6	94.5	91.7	93.6	86.3	80.9	72.8	73.2
ii) Interest & Dividends	4.3	7.1	5.9	2.7	1.5	4.7	3.1	8.7	14.2	20.6	20.2
iii) Rent, rates, taxes, fees, fines. Forfeitures	0.1	0.0	0.1	0.4	3.3	2.6	2.5	3.3	3.7	4.7	5.8
iv) Miscellaneous	0.1	0.1	0.2	0.3	0.7	1.0	0.8	1.8	1.3	1.7	0.8
B) Expenditure (Rs. millions)	20.84	20.23	47.77	69.27	140.30	308.51	333.31	285.06	289.64	205.95	200.12
of which % share											
i) Medical benefits	28.3	35.6	41.2	42.6	38.5	39.9	39.3	39.6	42.3	53.7	56.7
ii) Cash benefits	46.9	49.7	46.3	45.1	43.4	34.3	39.3	42.7	34.5	23.5	24.9
iii) Other benefits	0.1	0.2	0.2	1.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1
iv) Administrative expenses	24.7	14.4	12.4	11.1	17.9	25.7	21.4	17.6	19.3	15.3	14.2
v) Provision of depreciation of hospitals etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	7.4	4.1

Source: Government of India, Ministry of Labour, *Pocket Yearbook of Labour Statistics, 1994*

- Under the ESI Act, medical benefits are provided by the state governments except in Delhi where the Corporation undertakes the responsibility for such provision. There is dichotomy of responsibility between the state governments and the ESI Corporation which has resulted in poor quality of services being provided, which in turn has led to dissatisfaction among those insured (Subrahmanya, 1995).
- A curious feature of the ESI is that despite being a scheme designed exclusively for industrial workers, it does not pay much attention to issues of occupational health. That the problem is not even recognised is evident from the symptom based disease profile of ESIS workers that is reported whereas what is more relevant is one that recognises the prevalence of occupational diseases and makes special efforts to identify and treat them. The panel system is particularly unsatisfactory as the general practitioners are 'not aware of the extent and types of occupational health problems among the industrial workers attending their clinics' (Uplekar, 1992, p. 147).
- The ESI Act makes the state governments responsible for providing reasonable medical care to insured persons and their families. The ESI is also responsible for providing medical care to insured persons and their families, which has to be provided in consultation with the state governments. The dual control of health care provision has led to inefficiency and duplication of efforts. The Task Force (para 4.22 to 4.24) has recommended that the administrative structure should be amended and the ESI should be made solely responsible for providing medical care facilities to the insured.
- Other problems include the rampant misuse of sickness benefits on the basis of spurious medical certificates and delay in the settlement of claims, particularly those pertaining to permanent disablement and dependent benefits (Minwalla, 1995).
- At a more fundamental level, it may be recalled that the Adarkar Committee had assumed the fulfilment of certain conditions before recommending the implementation of the ESI. None of the provisions visualised were implemented over the long period of over 50 years. Given this fact, it is indeed not surprising that the efforts of the ESI, however meagre, have not yielded the desired results. This underscores the point made earlier that the implementation of individual schemes, which are not part of an overall structure governing social security, can yield only limited results.

7.3 National Renewal Fund (NRF)

As part of the ongoing process of globalisation and liberalisation, the Government of India passed in 1995 an amendment to the Sick Industrial Enterprises Act (SICA), 1981. Accordingly, the central government public sector units were brought within the purview of the Board of Industrial and Financial Reconstruction (BIFR). The BIFR is a body set up by the government that examines the industrial units and decides whether the sick private and public sector units can be revived with restructuring or would have to be closed down. Up to the end of 1998, the BIFR received 3,441 references, including from 225 central and state public sector undertakings under the SICA. Of the 225 references received from central public sector units, 157 were registered with the BIFR and rehabilitation schemes were sanctioned for 21 central public sector units and 29 state public sector units. It also recommended that 10 Central Public Sector (CPU) and 19 State Public Sector Units (SPSUs) be closed down (Sharma, 1999). This implied considerable redundancy of labour. According to ILO (ILO-SAAT, 1996) estimates, the extent of labour that is redundant in the organised sector in India is of the order of 4.4 million workers.

In order to address the problems that such redundancy would create for the workers, the Government of India announced the creation of a National Renewal Fund (NRF) as part of the new Industrial Policy in 1991 and constituted the Fund in 1992. The main objectives of the NRF were (a) to provide funds, where necessary, for compensation to employees affected by restructuring or closure of industrial units, both in the public and private sectors, (b) to provide assistance to cover the costs of retraining and redeployment of employees arising from modernisation, technological upgradation and industrial restructuring, and (c) to provide funds for employment generation schemes both in the organised and unorganised sectors in order to provide a social safety net for labour needs arising from the consequences of industrial restructuring. Two main schemes are (a) the Voluntary Retirement Schemes (VRS) for central public sector undertakings, and (b) retraining schemes for rationalised workers in the organised sector (GOI, Ministry of Labour, 1998).

Up to May 1999, 0.13 million employees of the CPU had opted for the VRS scheme. Of these, more than 50 per cent opted for the Scheme in the first and second years of the scheme and only 4,482 employees during 1998/99. This sharp downward trend is indicative of the loss of interest in the employees and falling budgetary allocation for NRF. In 1998, 91,288 workers were surveyed of whom 46994 were counselled, 33,242 were retrained and only 10,215 were re-deployed. Significantly, only a quarter of those who availed themselves of the VRS were retrained and a mere 8 per cent were re-deployed (Sharma, 1999).

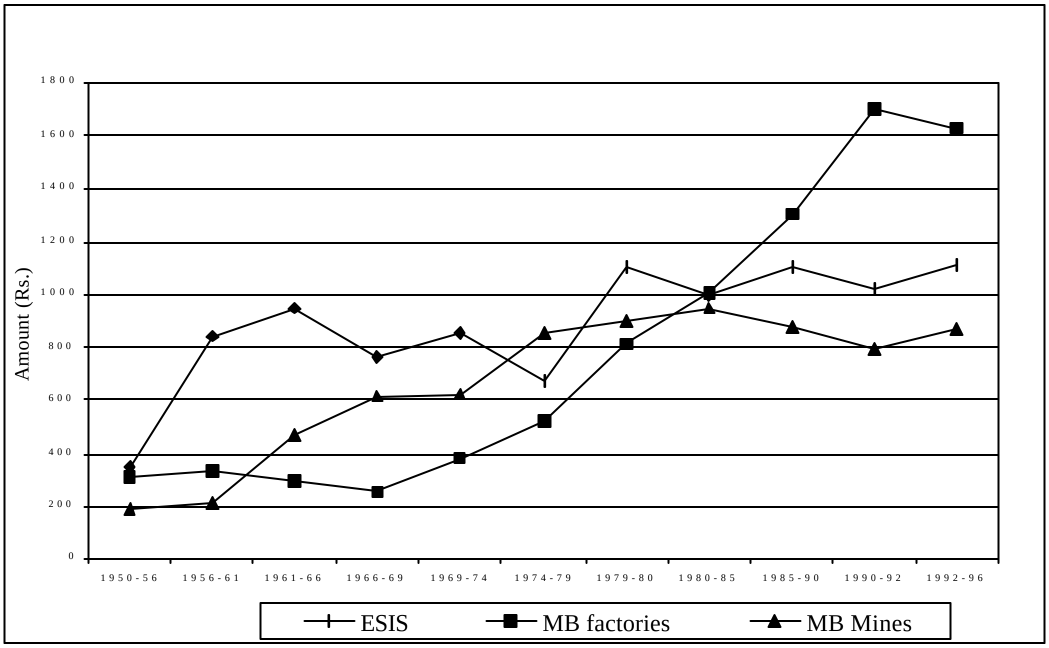
Assessment of statutory social security schemes

Overall, the schemes devised for the workers in Indian factories and establishments do attempt to provide some social security using both employers' liability schemes as well as contributory schemes of social insurance. However, the schemes have been devised individually and evolved at different times. Though they do provide some social security, they do not together constitute any systematic provision. This is in contrast to the experience of other countries where there exists a single social security law that provides benefits with other schemes added later on. In India, on the other hand, a fragmented approach was followed with different administrative divisions providing different sets of benefits to the same target group. For instance the extent of maternity benefits provided under the two Acts, MBA and ESI are quite different. A similar discrepancy prevails with respect to dependency benefit across the ESI and the Workmens Compensation Act (WCA) (Graphs 2 and 3).

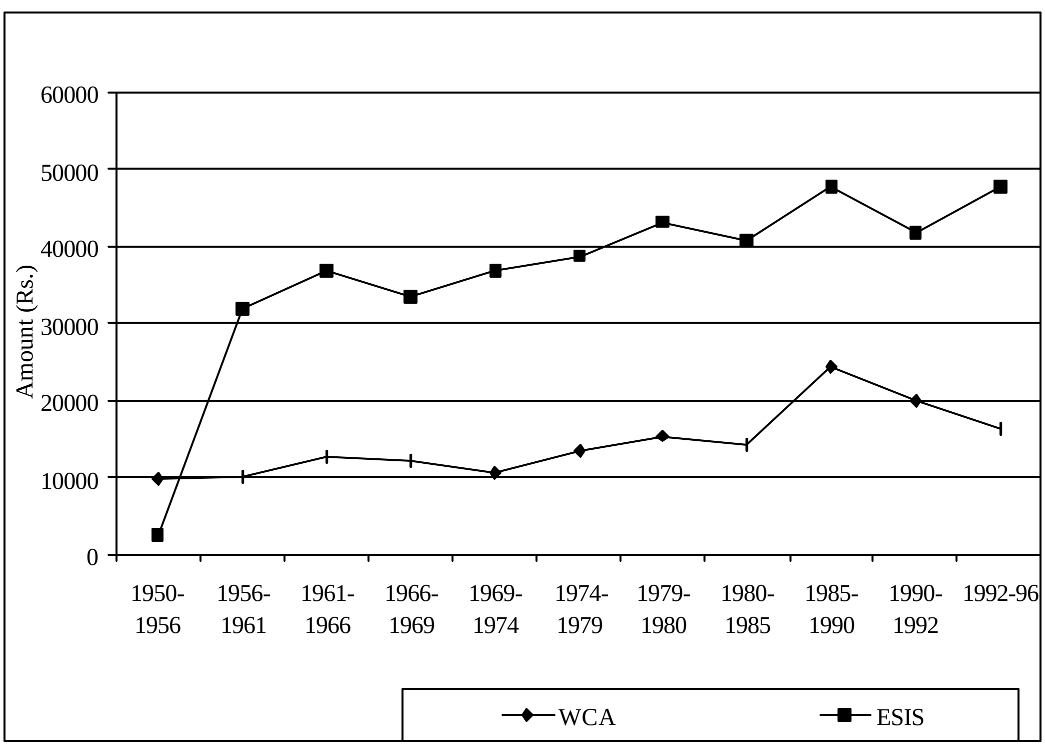
The difference in the type of benefits provided are also quite stark. Under the WCA, the workers have to make their own arrangements for medical treatment whereas under the ESIS, they have access to a range of medical facilities. The manual workers, to whom the WCA applies, lack both the means as well as the requisite knowledge of medical facilities and the quality of services rendered to be able to procure satisfactory treatment. Furthermore, the lump-sum amounts given under the Act fail to provide a permanent or sustained protection on disability or death due to work injury. The

Maternity Benefit Act also does not provide medical aid before, during or after confinement.

Graph 2 Real per capita maternity benefits under the ESI Act and the Maternity Benefits Act



Graph 3 Real per capita dependency benefit across Workmens' Compensation Act and ESI Act.



It has also been observed that the employers either evade payment or prefer not to employ women workers or discharge them at the first sign of pregnancy. The implementation of the Act is therefore considered to be unsatisfactory. The Taskforce on Social Security (GOI, Ministry of Labour, 1999) has suggested that both the schemes be included in an Integrated Social Security Scheme proposed. Other recommendations include extending the ESI component to replace the WCA and assimilation of the Maternity Benefit Act and the Payment of Gratuity Act into the ESI Act and the EPF and MBA respectively.

7.4 Schemes for workers in mines, plantations and other occupations

As mentioned earlier, the legal provisions for social security for workers in units other than the registered manufacturing sector have been provided for separately though such coverage remains poor. Some attempts were made to extend the scope of the conventional schemes such as WCA and ESI to the workers in the unorganised sector. Thus, the coverage of the WCA was extended to workers engaged in the tapping of palm trees, felling and logging of trees, farming by tractors or other contrivances, repairs or maintenance of tube wells and dams. The liability of payment of compensation rests on the employer. However, there are no data on the extent to which compensation has actually been paid to such workers. In view of the fact that the unorganised sector workers have very poor bargaining power and the regulatory machinery works ineffectively, payment of compensation may be rather limited.

7.5 Central Labour Welfare Funds

An important aspect of the provision of social security by the Government of India has been an explicit recognition of the need to cater to workers in the unregistered manufacturing sector. In pursuance of this objective Central Labour Funds have been established by the Ministry of Labour, under separate enactments. These welfare funds function under the supervision of the Director General of the Department of Labour Welfare, Ministry of Labour, and have provisions that are similar to those of conventional social security schemes implemented for the organised sector workers. The scheme of welfare funds is outside the scope of specific employer-employee relationships as it is the government that raises the resources on a non-contributory basis and delivers the package of welfare services without linking them to individual worker's contributions. Funds are normally raised by imposing a cess on the produce.[41] The Central Labour Funds' efforts are supplemented and extended in some states, prominent among them being Kerala (Kannan, 1999, Wadhawan, 1987).

The main Welfare Funds administered by the Ministry of Labour are as follows:

- The Mica Mines Labour Fund Act, 1946
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972

[41] The Welfare Fund for Building and Construction Workers, however, is financed by contributions from workers, levy of cess on all construction works at the rate of 1-2 per cent of the construction cost incurred by an employer and non-mandatory loans and grants by the Central and State governments.

- The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act, 1976
- The Beedi Workers Welfare Fund Act, 1976, and
- The Cine Workers' Welfare Fund Act, 1981.

As Wadhawan (1987, p.9) comments, 'Despite their heterogeneity, the Funds are all look-alike since they protect what might be called fraternal groups with affinity of needs and assistance. Together, they constitute pace-setting, path-breaking schemes, embodying the twin elements of social solidarity and security'. The benefits provided include health and medical benefits, housing, supply of drinking water, education, recreation and cultural activities. The common method of financing the expenditure on these funds is to levy a cess on the manufacture, consumption and export of the commodities produced.

The main features of the expenditure of various welfare funds are presented in Table 6. It is evident that health is given high priority across all welfare funds. Medical benefits accounted for 52 per cent to 63 per cent of benefits across welfare funds. In the case of Beedi and mine workers, high priority has been given to housing (Prabhu, 1996).

8. Social assistance schemes: Level IV measures

We review in this section the programmes implemented for the benefit of those outside the purview of the workforce. The principle schemes are those pertaining to old age and destitute and vulnerable sections of the population.

8.1 Dimensions of elderly population

In recent years, there has been particular focus on provision of social security for the elderly. The issue attains particular importance in view of the emerging demographic transition that is taking place in an environment of persistent poverty. The impact of the decline in birth rates and the rise in life expectancy is reflected in the rapid rise in the proportion of the population above the age of 60. The project OASIS (GOI, Ministry of Social Justice and Empowerment, 1999) initiated by the Government of India indicated that whereas the total population in India is expected to rise by 49 per cent, from 846.2 million in 1991 to 1,263.5 million in 2016, the number of old people (persons aged 60 and above) are expected to increase much faster by 107 per cent from 54.7 million to 113 million. Thus, as against a share of 6.4 per cent in total population in 1991, the share of the aged in 2,016 will rise to 8.9 per cent.

While there is an increase in the proportion of the aged, the reserves for old age provision are inadequate and cover only a small proportion of the workforce. It is estimated that present formal provisions for old age cover less than 11 per cent of the estimated working population (GOI, Ministry of Social Justice and Empowerment, 1999). Even where there is such accumulation, on account of generous provisions for withdrawal[42] and low real returns that the provident funds earn the average lump-sum accumulation of the members in 1996/97 was only Rs.25,000 per member. This sum seems even more inadequate when considered against the fact that the traditional, informal methods for provision of social security, such as the joint family system, have been disintegrating and are unable to cope with the enhanced life span and medical costs during old age.

8.2 National Social Assistance Programme (NSAP), 1995

In view of the above considerations, the Government of India introduced a National Social Assistance Programme (NSAP) in 1995, as a social security programme for the welfare of poor households. The scheme is 100 per cent centrally sponsored. Financial assistance is provided under the scheme to poor households in the case of old age, death of primary breadwinner and maternity. The NSAP thus has three components; viz.,

- National Old Age Pension Scheme (NOAPS) under which old age pensions to the tune of Rs.75 per month are provided to the elderly who are aged 65 and above and who are below the poverty line.
- National Family Benefit Scheme (NFBS) under which in the event of the death of the primary breadwinner, the bereaved household is paid Rs.5,000 for a death from natural causes and Rs.10,000 in the case of accidental death.
- National Maternity Benefit Scheme (NMBS) under which Rs.300 is paid per pregnancy up to the first two pregnancies.

The physical and financial progress of the programme is set out in Table 6.

Table 6. Physical and financial performance under the National Social Assistance Programme (NSAP): 1996-97

Programme	Physical performance (in numbers)			Financial performance (Rs. Million)	
	Numerical ceiling	Beneficiaries covered	Percentage of achievements	Total allocation	Total expenditure
NOAPS	5 371 600	4 381 712	81.57	5 076.1	2 673.1
NFBS	456 800	131 796	28.85	2 638.0	738.8
NMBS	4 596 700	1 267 495	27.57	1 448.0	423.1
Total	-	-	-	9 162.1	3 835.0

Source: Planning Commission (2000), 'Ninth Plan 1997-2002', Government of India, New Delhi, as reported in http://www.planningcommission.nic.in/

Notes: NOAPS: National Old Age Pension Scheme; NFBS: National Family Benefit Scheme; NMBS: National Maternity Benefit Scheme

It is evident from a perusal of Table 6 that the physical coverage and the financial performance under the NOAPS was relatively better compared to the other two

[42] In 1996/97, the OASIS project calculated that Rs.20,470 million were prematurely withdrawn by 1.2 million provident fund members to fund marriages, illness, housing and purchase of insurance policies. The project also estimated that the provident funds earned a return of little over 2.5 per cent over inflation for their members as against 11 per cent in Chile. As against this, the long term average rate of return on the equity index is 18.5 per cent "which has the potential to revolutionise the wealth accumulation over a worker's lifetime" (GOI, Ministry of Social Justice and Empowerment, 1999, p.9).

schemes. In 1996-97, 4.4 million beneficiaries were covered by NOAPS. The coverage under the other two schemes was rather limited, 0.1 million under the NFBS and 1.3 million under the NMBS. More recent data available from the Government of India indicates that the physical coverage of the schemes has marginally improved to 5.1 million beneficiaries under NOAPS, whereas 0.2 million families received the benefit of NFBS and 1.6 million women received maternity benefit under the NMBS (GOI, Ministry of Finance, 2000, p. 170).

An important factor is that the amount of pension for NOAPS has been abysmally low. Data regarding the scheme's working indicate that the average payment has been even less than that stipulated, which indicates that some of the eligible beneficiaries may not have been provided with pensions. The scheme thus acts as yet another addition to the impressive number in operation that serve to highlight more the government's 'concern' for the elderly poor for bringing tangible succour to the needy.

8.3 Other schemes of social assistance

In addition to the NSAP, the Government of India launched a Rural Group Life Insurance Scheme in 1995 in order to promote social insurance in the rural areas with the active involvement of the panchayats and to partly alleviate the distress caused by the death of the bread-winner among the rural poor. The scheme is administered by the Life Insurance Corporation of India and implemented by the panchayats. Under the scheme, life insurance cover of Rs.5,000 is provided to members in rural areas for an annual premium of Rs.60 (age group 20-40 years) or Rs.70 (age group 40-50 years).

Other centrally sponsored schemes are the Personal Accident Insurance Social Security Scheme for Poor Families, Group Accident Scheme for Active Fishermen, Group Insurance Scheme for Landless Agricultural Labourers, as well as the Group Life Insurance Scheme for Integrated Rural Development Programme (IRDP).

Other protective social security for the majority of workers in the unorganised sector and for the self-employed is extremely limited and consists mainly of old age pensions that have been implemented in various states. The first state to introduce legislation for this purpose was in Uttar Pradesh in 1957. This was followed by other states during the 1960s and 1970s. Some states such as Kerala and Tamil Nadu have, in addition, various provisions for providing pensions to destitute widows and physically handicapped as well as survivor benefits to families in the event of the death of an earning member, occupational hazards, etc. (Box 2).

9. Role of community and NGOs in social security provision

The role of the community in the provision of social security has been emphasised in recent development literature. As was pointed out earlier, in a milieu where the provision of social security by the government is insufficient, community initiatives to provide security can be critical especially for the poor. India has had a long history of activity by the non-governmental organisations in the field of community development in general and education and health in particular.

The role of the NGOs was recognised by the government during the First Five-Year Plan. The plan documents specifically mentioned that public co-operation through voluntary service organisations was critical in channelling private efforts for the promotion of social welfare. The government has been providing grants to NGOs although amounts were not very significant till the 1960s. However, the realisation that the government alone cannot handle the gigantic task of poverty alleviation has led to the NGOs being given an important role since the Third Plan. During the Seventh Plan, particular efforts were made to involve voluntary agencies. The NGO experience was useful in evolving innovative approaches for poverty alleviation and for improving the effectiveness of governmental organisations (Sunder, 1994).

Three important areas relevant to community and NGO initiatives in providing socio-economic security may be identified, viz., namely a) Self- Help Groups to promote thrift and savings b) education and c) health.

Box 2. Pension schemes in Kerala and Tamil Nadu

The two Indian states of Kerala and Tamil Nadu have pioneered in implementing welfare programmes with high social security content in India. These programmes mainly cover workers belonging to the unorganised sector and the poor consisting of the aged, physically handicapped and widows.

Social security and welfare schemes introduced in Kerala were implemented with the objective of reducing income insecurity among the weaker sections of the population. As many as 30 schemes were in operation at the end of the 1990s. Fourteen of the 31 major schemes were entirely financed by the state government. On an average, the state government spent about Rs.3,700 million between 1986 and 1991 on these programmes. In 1996/97, 1,42,450 old age destitutes, 94,800 physically handicapped people, 31,294 agricultural labourers and 26,967 fish workers received pensions. About 60 percent of the old-aged poor in 1991were covered by two major pension programmes viz., destitute and agricultural labourers' pensions. The number of persons covered by the old age pension schemes accounted for about 20 per ent of total population in the age group of 60 years and above. Vigilance of various political parties, unions, and local bodies has led to greater effectiveness of these schemes which have served to eradicate the contingent poverty of some sections of the population in the unorganised sector in Kerala.

Welfare programmes implemented in Tamil Nadu include pensions for the old, widows and deserted wives, agricultural labourers and physically handicapped as also survivors' benefit, maternity assistance, marriage grant, and accident relief schemes. These schemes were introduced in the early 1960s and revamped in 1989 to include more contingencies, cover a wider population and improve targeting towards the poorer households. Within the first year of the implementation of comprehensive schemes, the coverage in terms of beneficiaries increased from 0.372 million in 1989 to 0.732 million in 1990 of which 0.44 million (16 per cent) were covered by the pension schemes. Furthermore, of the total beneficiaries, 57 percent were women viz., the widows, deserted wives, and working mothers in poor households. The coverage ratio, relating the number of beneficiaries to the relevant estimated target population indicated that the pension schemes covered about 28 per cent of the poor, the survivor benefit and maternity assistance about 63 per cent, and the marriage grant a very high proportion of 90 per cent of eligible candidates. Total outlay on these schemes was about 1.7 per cent of total revenue expenditure and about 0.4 per cent of state domestic product. The total cost-benefit ratio was Rs.969 or about Rs.1,000 since it is very heavily weighted by old-age pensions which had a unit cost of Rs.1,060 per annum (including the cost of benefits in kind).

Sources: Guhan (1993), Mahendra Dev (1999)

9.1 Economic security

The experiments in village development with the people's efforts have not been lacking in India. The Sevagram project of Mahatma Gandhi, the Shreeniketan Institute of rural reconstruction, the Marthandam rural demonstration Centre by the YMCA in Trivandrum are some of the initiatives of village and community development undertaken by prominent national leaders and bodies. These projects however could not be sustained over time on account of a variety of reasons ranging from excessive reliance on a single leader to insufficient emphasis on economic aspects.

More recently, a successful experiment in village development through local leadership and resources is that of Ralegan Siddhi which was initiated by Anna Hazare, a resident of the village. The improvement in the economic and social status of the marginalized groups has been highly lauded (Box 3). The main contribution of the scheme has been that it motivated the Government of Maharashtra launch the Adarsh Gram Yojana in 1992, which aimed at developing 300 villages using the Ralegan Siddhi model.

Another initiative that has been gaining momentum is that of Self-Help Groups (SHGs). The origin of SHGs for promoting thrift may be traced to the failure of programmes implemented by formal credit institutions to reach backward areas and the rural poor. The high cost of credit supply, rigidity in the amount given as credit as well as the time for repayment, have led to a wide gap between the needs of the poor and the services provided by the banking system. Several countries have tried to link the formal credit system with the functioning of SHGs, based on the experience of Grameen Bank of Bangladesh. Such linking was preferred as it leads to economies of scale in mobilising savings, reduction in transaction costs involved in dealing with a large number of poor and provides relatively secure collateral being based on group-lending principles. In India, a formal programme of linking commercial banks with SHGs was started by National Bank for Agriculture and Rural Development (NABARD) in 1992. The progress of the programme has been encouraging as evident from the fact that in March 1998 there were 13804 SHGs that were linked to the banks. Group savings under the programmes amounted to Rs.80 million encompassing 0.17 million poor families of whom 76 per cent were headed by women (Kulkarni and Viswanathan, 2001).

In Kerala and Maharashtra, head load of workers undertook an important initiative in the unorganised sector covering not only income protection and also affording protection of various types in an integrated manner (Box 4). This example demonstrates the impact of collective action in the realm of socio-economic security.

Box 3. Village development through community participation: The Ralegan Siddhi experience

Ralegan Siddhi is a small village of 2,000 people, located in Parner Taluka of Ahmednagar district in Maharashtra which in known for the ingenuity in adopting and implementing development schemes. In 1975, Anna Hazare, a local leader, started a process of economic development through the mobilisation of local people and their voluntary contribution of physical labour (*Shramadaan*), The striking feature of this development is that it is financed mainly through well-known government schemes of loans and assistance that were available to other villages. There has been no significant financial or managerial support from the corporate sector or any charitable institution.

The guiding principle of economic development adopted in Ralegan was ‘growth with equity’. Special attention is paid to eradicate social discrimination and attain greater economic equality by implementing special economic programmes for the lower income groups, women and socially backward communities.

Shramadaan an essential component in the implementation of every programme in the village. Fifty per cent of the surplus generated returned to the beneficiaries, one-fourth utilised for repayment of loans and the remaining one-fourth a part of the community fund. This result in socialisation of costs and benefits across the community. These funds are utilised to finance various developmental schemes like the watershed programme, provision of drinking water, establishment of grain bank, and several social development programmes that have included education and public health. It is estimated that the per capita investment in Ralegan Siddhi over ten years (1975/76 to 1985/86) have been of the order of Rs.500 per capita per annum. Of this, the contribution of the village community was 12 per cent whereas 42 per cent was through government subsidies with the banks contributing 37 per cent as short or long-term loans. Most of the loans have been repaid and there was a substantial increase in the per capita income of the households. The annual per capita income in Ralegan increased from Rs.270 in 1975 to Rs.2,257 in 1986 amounting to about 24 per cent growth per annum in the ten-year period.

Additionally, other initiatives were undertaken which had considerable social impact. The youth forum (*Tarun Mandal*) of the village, started a *balwadi* (pre-primary school) in 1976 to encourage enrolment of children at an early age. Constant vigilance and initiative from the community enhanced the quality of the existing primary schooling and establish a high school with its own finances. The success of these measures can be gauged on the basis of various indicators. Total enrolment in the *balwadi* was only 50 children between 1976 to 1986. Average enrolment in the first standard in primary schools was 73 between in 1975/76 to 1979/79, and of these only 15 children passed out of the fourth standard. Between 1979/80 to 1985/86, on an average 55 children entered the first standard and 39 passed out of the fourth standard. In the high school, during the same period, about 18 students passed the high school examination. Enrolment increased further in 1986/87 to 80 children in the *balwadi*, 201 in the primary school with 353 in higher educational institutions, including professional courses after passing their school secondary certificate examination. The education initiative also emphasised physical and moral development of children, to accomplish the objective of better human development.

It was also recognised that improvement in health would lead to an enhancement of overall quality of life. Health of the people improved without any additional inputs. The village has a resident auxiliary nurse midwife in the village, which has resulted in better basic preventive health care services as well as curative treatment of minor ailments. All the children are immunised and all pregnant women receive ante-natal care. A Family Planning programme was implemented without primary health care employees coaxing people with lucrative incentives. The success of this programme can be seen by the fact that only 4 or 5 couples in the village were not sterilised. Other health programmes include provision of drinking water, public latrines and disposal of waste water. Provision of more than 28 cow-dung gas (*gobar gas*) plants and setting up of 160 smokeless stoves (*chulhas*), saved women from respiratory infections and sore red eyes. Children going to the *balwadi* were provided milk as a nutritional supplement from the co-operative dairy in the village. Boys residing in hostels obtained nutritious meals from the community kitchen. The grain bank run by the village *Tarun Mandal* ensured adequate food supply to all the families during lean periods.

The Ralegan model is basically a self-help model under a motivated leadership, devoid of any bureaucratic and political interference that has led to an overall transformation of the village.

Source: Awasthi and Panmand (1994)

Box 4. Integrated social security: Head load workers' initiative in Kerala and Maharashtra

The headload workers' initiative in Kerala and Maharashtra for an integrated social security measure has ensured both economic security as well as statutory social security measures. Smooth functioning of these measures was ensured through legislation and setting up of tripartite boards comprising of representatives from the government, employers and employees. Financing of the scheme was through a monthly levy imposed on the employers and workers.

The decasualisation scheme of dock labourers in Mumbai in the 1950s, was a pioneering attempt to evolve a method to secure basic protective social security for the unorganised sector workers by regularising their intermittently available work and developing employer-employee relation. Consequently, the Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969 statutorily defined the role played by institutions and the interaction between interest groups in determining the ultimate impact of purposive collective action (whether, and to what extent security is provided). This act ensured all protective social security benefits such as provident fund, gratuity, paid leave, accident compensation, paid holiday, medical benefits, travel allowance, housing loans and education scholarships for the children of the head load workers.

There are about 50,000 workers registered under 30 different Mathadi Tripartite Boards. The board acts as a mediator between the employer and employees, arranges meetings for negotiations, and ensures distribution of wages and social security benefits. Administrative expenditure of the board is paid out of the levy, which is negotiated every 3-4 years and charged to the employers. A study by Datta (1998) indicated that most workers from three major boards were filing income tax returns that amounted to over Rs. 1 crore per annum.

These workers have established hospitals that provide curative treatment, diagnostic services, dental treatment, and surgical operations. Presently there are two hospitals with an annual budget of Rs. 2 crores run by six mathadi boards. Each board contributes 2 per cent and each worker contributes Rs. 20 per month. The board has also ensured housing facilities on an ownership basis to about 4,000 workers through loans from the General Insurance Corporation (GIC) and Housing Development Financial Corporation (HDFC) and from the provident fund. Since 1982, they have instituted scholarships for children to promote formal education.

After a series of measures and amendments to the legislation for head load workers in Kerala, the government formulated the Kerala Headload Workers (Regulation of Employment and Welfare) Scheme in 1983 with the intention of regulating employment and provisioning social security benefits. The scheme is applicable to all establishments specified in schedules appended to the act but excluded those establishments owned or controlled by the central government. The implementation of the scheme is decentralised with the local committee being the primary functionary in implemention. The significant outcome of the process of regulation of employment is the creation of a permanent employer for the unattached headload worker.

The act has various provisions relating to hours of work, limitation of employment, daily intervals for rest, provisions for fixing and notifying minimum wages for different establishments and kinds of work, enforcement of wages and the contributions by both the employers and employees towards the fund. The scheme provides non-wage financial assistance such as bonuses, holiday wages, advances and marriage loans and social security benefits such as retirement benefits, invalidity pension, ex-gratia payments, medical benefits, educational allowances and marriage allowances.

The effectiveness of the scheme in Kerala can be judged on the basis of the additional income received per worker that was about 30 per cent of the annual wages, though there was wide variation among workers. However, the variation in the receipt of additional income was relatively lower (39 per cent) as compared to the wage earnings (61 per cent).

Thus, the initial efforts of the headload workers in Kerala and Maharashtra to secure a protective cover and the consequent establishment of tripartite board is a rare and outstanding example for other unorganised workers.

Source: Datta (1998) and Pillai (1996)

9.2 Education

NGO activity in the education sector has been quite considerable in India. In 1997/98, it was estimated that more than 772 NGOs were working on various aspects of education, of which a large number (more than 550) are estimated to be active in the area of non-formal education and 61 in the area of adult education. Their activities include pulling out children from work and sending them to school (M. V. Foundation, Hyderabad), improving the curriculum and classroom teaching (Ekalavya, Madhya Pradesh), innovating education programmes for street and working children (SWRC, Tilonia, Rajasthan). The reach of the programmes has been fairly large, though given the magnitude of deprivation, these efforts can only be considered as supplementary and not a substitute for government action. The M. V. Foundation's work has spread in as many as 500 villages in Andhra Pradesh, whereas Ekalavya covered 75,000 children in 500 government middle schools and 15,000 children in 150 primary schools. The Tilonia programme, though initiated in Rajasthan in 1975, now operates in as many as eight states. A common factor of all these initiatives has been that they receive budgetary support from the government (Tilak, 2000).

The innovative approach adopted by NGOs such as the mass contact programme, Lok Sampark Abhiyan, which was conceived in Eklavya, was used by the Government of Madhya Pradesh while devising the Education Guarantee Scheme (EDGS)[43] and implementing it with effect from 1 January, 1997. Under this scheme, the government guaranteed the provision of a teacher (salary including training, teaching-learning material and contingency funds) to start a school within ninety days wherever there was a demand from the community without a primary school within one kilometer. The condition was that the demand should emerge from at least 25 learners in the case of tribal areas and 40 learners in the case of non-tribal areas. The community was also to identify a suitable local resident to be the teacher whose bona fides would be verified by the Chief Executive Officer of the taluka. Thus, while the government ensured the supply of critical inputs for primary education, the community shared the responsibility of universal primary education by its articulation of demand for such education, identifying the teacher and contributing learning space. In the first one and half years of operation, as many as 19,289 EDGS schools were established demonstrating forcefully the demand for education even in remote and tribal areas (Government of Madhya Pradesh, 1998).

The scheme is not without drawbacks, the main one being the substitution of what is considered inferior schooling for formal schooling. Nonetheless, it demonstrates the feasibility of novel initiatives to cut across the barriers to universalisation of primary education. Even more significant is the approach that is adopted, that of close co-operation between the government and the community. A slightly different mode of joint action by the community, corporate sector and the local body in furthering the cause of universalisation of primary education may be found in the case of Pratham of Mumbai, a premier metropolitan city in India. The main features of the programme implemented by Pratham are given in Box 5.

[43] The Education Guarantee Scheme is known by the acronym EGS. We have used the acronym EDGS in order to distinguish it from the Employment Guarantee Scheme in Maharashtra which is also referred to as EGS.

Box 5. Universal primary education: A tripartite initiative in urban India

In the year 1994, the United Nations Children's Fund (UNICEF) and the Municipal Corporation of Greater Mumbai (MCGM) established *Pratham* to achieve Universal Primary Education by the year 2000 in Mumbai. Towards this aim, UNICEF generated the idea of Societal Mission, which implied that education is the responsibility of a society rather than state affairs. It was felt that a tripartite partnership between the people, the private corporate sector and the state would be a useful means of raising resources locally and reducing overall government expenditures. Thus, *Pratham*, which is a public charitable trust, pursued this goal with the motto "every child in school and learning". It presently operates in seven urban centres viz., Mumbai, Delhi, Ahmedabad, Baroda, Patna, Pune and Bangalore.

Following the societal mission guidelines, *Pratham* aims at universalising pre-school and primary school education in all urban centres of India by 2005. Various programmes implemented by the trust include *balwadis, bridge courses, balsakhi*, non-formal education, *pratishristi* and health programmes for children.

Balwadi is a pre-school education programme for children aged 3-5 years, which is the key to universal primary education. It aims at improving enrolment, attendance and performance in primary schools. These programmes are implemented in municipal schools, community spaces, teachers' houses, or in places of worship. The teacher is from the local community, while *Pratham* provides basic teaching material and provides follow-up assistance. This programme is currently being implemented in Mumbai, Delhi, Baroda and 400 *paranganas*. Recent estimates indicated that enrolment of children in Mumbai and Delhi was 53,000 and 6,000 respectively. Recently, a basic health programme was initiated, in Mumbai as a means to reduce absenteeism and lack of concentration. It includes provision of micro-nutrients such as vitamin A and iron, de-worming and three health camps every year to dispense medicines and to measure children's physical growth. The programme is directed and monitored by a committee of doctors, has close links with local doctors and hospital set up for the local community.

Bridge courses which were initiated in 1998, are for children aged 6-14 years and aim to bridge the gap of knowledge when the child enters mainstream formal schooling. This is a replication of the programme implemented by the M. V. Foundation in Andhra Pradesh. Once the child is prepared, he/she is enrolled in the nearest municipal school. Like the *balwadi* course the community provides a qualified teacher with standard or grade 10 education. *Pratham* provides necessary material for the course and also enables the students enrol in the nearest municipal school. This programme is being implemented in Mumbai, Delhi and Baroda.

Balsakhi is a remedial education programme conducted in municipal schools to address the problem of low-learning, high absenteeism and school dropout. This programme is being implemented with the help of the municipal schools in Mumbai, Delhi and Baroda. A *Balsakhi* who has passed standard 12 is from the local community and works under the supervision of the schoolteachers. Recent estimates indicate that about 35,000 primary school age children are being served through remedial education programmes in nearly 900 out of 1,255 municipal schools in Mumbai, 55 bridge courses in Delhi and 210 *balsakhis* reaching 4500 children in Baroda.

Other programmes include the non-formal education centres, which is similar to the bridge course implemented in Patna where the formal municipal school is very weak. *Pratishrishti* is a computer assisted learning centre for children in municipal primary schools in Mumbai, Bangalore and Pune with the objective of 'play and learn' with computers. Over 9,000 children each week have access to computers in schools. This programme is financed by the private corporate sector like ICICI Ltd. Other means of financing are through income generated from the nominal fees charged for the evening computer training programmes for youth.

Source: web site http:// www.pratham.org/ as on 25th October, 2000

9.3 Health

The involvement of NGOs in the health sector has been considerable and in fact public recognition of the role of NGOs in community health care has led to official support being extended to such initiatives since 1997. While the NGO health projects are diverse and address different issues, a few common elements of such projects can be identified as follows: a) a high involvement of the community in designing of the programmes b) adaptation of local health service personnel to provide primary health care c) closer links between health and general development d) greater demand for resources and political will to support primary health care and e) greater concern for the health of women (Sunder, 1994). Some experiments in NGO efforts to promote community health are discussed below. Two main approaches towards providing health security to the vulnerable are illustrated by a) Streehitakarani in Mumbai which considers health in a wider context of overall development (Box 6), and b) voluntary health services programme in Chennai (Box 7).

An important scheme to provide health security to women workers in the unorganised sector is being operated by the Self-Employed Women's Association (SEWA) in association with the United Insurance Company since 1992 as part of an integrated work security scheme implemented by the SEWA Bank. The scheme insures the female worker for an amount of Rs.1,000 against the risk of hospitalisation for a contribution of Rs.15 per annum. The risks that the scheme covers are limited.[44] The working of the scheme indicates that health insurance is a feasible proposition, the amount paid out towards claims being lower than the amount collected as premium in each year. A large number of women have secured health security in addition to work security under the scheme. Many co-operatives supported by SEWA have also chosen to provide health insurance, which has led to greater integration of activities within SEWA. The popularity of this integrated scheme led to a spurt in the membership of SEWA reflecting the demand for such a service among unorganised workers. Membership in SEWA increased from 40,000 in 1992 to 75,000 in 1994. The scheme led to an understanding of the concept of insurance and paved the way for the introduction of similar schemes among other workers in the unorganised sector. The scheme has enhanced health-seeking behaviour among of women who typically neglect their health otherwise (For more detailed discussion, see Prabhu, 1996).

[44] The risks of maternity, tuberculosis, cancer, piles, blood pressure and diabetes are not covered.

Box 6. Streehitakarni: NGO initiative for development of women and children

Streehitakarni (SH) is a women's non-governmental organisation, established 1964, with the objective of assisting women to lead a 'healthy, free and full life'. The programme is implemented in the slums of Dadar and Elphinstone areas in Mumbai. In a span of 35 years SH covered a population of 1,25,000. SH's concern for women's integrated development includes both the mother and the child as one unit. These programmes are implemented in a co-ordinated effort with the state government and local bodies.

Most of the programmes have been undertaken with the help of women from the community. Welfare initiatives undertaken by the SH included provision of medical services through by setting up of its own clinics to provide family planning advice. In addition, these clinics also provided primary health services and were equipped with a pathology laboratory. SH also maintained close contact with various leading hospitals in the city. In the year 2000, 2,133 women and 493 children were beneficiaries of the clinic and 5,228 and 1,294 visits by women and children, respectively, were registered. In the year 1981, the Government of India allotted an Urban Family Welfare Centre to the SH. This centre implements a family planning programme and provides treatment for infertility. Health education has been an integral part of the programmes implemented by the SH.

An essential aspect of the family welfare programme was training given to member workers for education of community women about child-rearing practices. This included spreading awareness of ante-natal care, post-natal care, infant immunisation and nutrition. SH also conducts 'well baby clinics' every month that assess the physical development of the child. In the year 1999/2000, 1,256 children were given triple vaccination and polio doses, while 648 children were given measles vaccination.

SH and the Department of Women and Child Health, Government of Maharashtra, supply 100 grams of nutritious food everyday to pregnant and lactating women and children less than 6 years at 10 nutrition centres in Worli. Each centre distributes such a diet to 200 children and women. The Government of Maharashtra sanctions Re.1/- per person a day while SH receives additional Re. 0.12 to supply pulses and cereals. SH implements the nutrition programme at the primary levels of municipal schools and their balwadis.

Non-formal education has been an integral part of the SH programmes that trained and motivated women belonging to backward areas, who formed the backbone of these programmes. Vocational training courses for women and adolescent girls aim at generating self-employment opportunities by charging nominal fees to women (girls) belonging to poor families. SH provides loans to deserving self-employed girl and women through a scheme of 'Rolling Loanable Fund'.

The small savings scheme of the Government of India and the Government of Maharashtra has been implemented by the SH since 1978. SH has its own workers as sub-agents who are responsible for creating awareness about savings and also collecting deposits from the community women early in the month. In 1998/99, about Rs. 24 lakhs were collected from a total of 1,789 old and new accounts. The commission that the SH's agency generates from these deposits is distributed among the sub-agents in proportion to their collection.

Source: Streehitakarni (2000)

Box 7. Voluntary health services: A community participatory approach to health insurance in India

An innovative approach to primary health care services was devised by Dr. K.S Sanjivi in the Chengalpattu-MGR district of Tamil Nadu in the late 1950s. The concept governing health care was one of voluntary health services which laid emphasis on the principles of preventive care rather than curative care, that the family as a unit for medical care and community participation. In pursuit of these objectives, Dr. K.S.Sanjivi founded a non-profit society known as Voluntary Health Services. He evolved a health plan for the residents of South Madras and set up a comprehensive, sophisticated referral hospital.

The nodal point of the delivery of health care was the mini health care (MHC) centre. Following the underlying aspects of the VHS, the family was taken as the unit of health care and each MHC had to cater to the health needs of 2,000 families or 10,000 residents in a rural or urban area. In the year 1995, there were 14 mini health centres covering a population of over ninety thousand and a VHS hospital is located on a 25-acre campus in Madras City with 405 hospital beds.

The key to the VHS approach was the involvement of the community in planning, executing and financing of the MHC. The communities generated awareness about the MHC and encouraged enrolment of people as subscribers to the scheme and also participated in decisions about the provision of the physical infrastructure of the MHC. It was the first time that the concept of pre-payment was introduced into the health care system. Each family registering in the VHS had to pay an annual nominal subscription based on income. The income and membership fee and total subscription were classified in five categories. For instance, families with income below Rs. 200 per month contributed an annual premium of Rs.12 under the plan group "F", families with monthly income ranging between Rs. 210-300 contributed Rs. 27 per annum under plan group "pIII", households with income ranging between Rs.310-400 per month contributed Rs.45 under plan group "pII", households with monthly income levels of Rs.401-500 contributed Rs. 45 under the "pI", and households with monthly income above Rs.500 contributed between Rs.54 (minimum) to Rs.300 (maximum) under the plan group "high income group" (Athmaraman, 1995, p.6). These charges varied for non-subscribers.

The Medical Aid Plan (MAP) was introduced in 1990, broadly included in-patient and out-patient care, pathological facilities, public health care, and family welfare measures and nutrition services and other services such as rehabilitation services and physiotherapy services. Membership of the MAP guaranteed the family free annual health check-ups. The health insurance scheme provided coverage not only for sickness, but also covers a wide range of health activities viz., maintenance of family records, mother and child care, immunisation, nutrition, family welfare, control of communicable diseases especially leprosy, tuberculosis, malaria, filaria, and water borne diseases.

The nature of payment for health care services in the MAP varied across the five categories. Subscribers were provided free general consultations, while in the case of specialists, a nominal charge had to be paid. The expenditure on medicines included cost and 10 per cent mark-up price, while other diagnostic expenditure depended on the income group. Subscribers of the F plan group were provided free in-patient services, which also included provision of food. However, all hospitalised patients had to pay a nominal admission fee of Rs.10 regardless of length of stay.

A trend assessment of the MAP subscription, over the period 1970 to 1995 indicated an increase in membership from 2,7431 to 12,4715. The percentage share of free subscribers was high, at 72 per cent while that of the paying group was 28 per cent, indicating greater usage of the lower income groups. Most enrolments were only at the time of illness when they required health services. About 85 per cent of the subscribers from the free group renewed their membership. The drop-out rate among this category was low as 15 per cent while that of the paying group was as high as 73 per cent. Most of the MHC services were utilised for outpatient care. However, the share of outpatients declined from 90 per cent during the period 1970-75 to 85 per cent in 1990-95 whereas utilisation of inpatient care increased from 10 per cent to over 15 per cent in the same period. The average duration of stay was 9 days and the bed occupancy ranged between 60 per cent to 70 per cent due to seasonal fluctuations in diseases. Collections from the MHCs between 1991 to 1994 increased from Rs.11.0 million to Rs. 13.9 million. The availability of better health personnel and health care services in the MHC has led to a decline in the number of patients being referred from 14 MHCs to hospitals from 3,137 in 1991 to 2,854 in 1994.

The VHS model indicates that while most people need medical attention, it is possible to solve most health problems outside the hospital or within the community or the family itself.

Sources: Athmaraman, T.N. (1995), Sohoni, N. K. (1994)

PART III: POLICY IMPLICATIONS

10. The concept

The analysis conducted thus far indicates the futility of adopting the concept of social security as defined conventionally in terms of contingency related measures in the context of pervasive poverty prevailing in developing countries. It advocates the need to adopt a more appropriate concept of socio-economic security that includes in its ambit not only conventional social security measures but also measures to enhance social capabilities and those ensuring a minimum level of income for the poor. This concept of socio-economic security is different not only from the conventional definition of social security but also from the concept of socio-economic security proposed by the ILO more recently. Our concept, which we refer to as the wider concept of socio-economic security, is rooted in the human development paradigm and is seen as a fundamental right. This implies that the role of the state is quite substantial and extends far beyond being that of a facilitator to ensure the provision of social security by firms.

The need to adopt the wider concept of socio-economic security is particularly important in the context of developing countries that are characterised by dualistic economic structures, unbalanced structural transformation and underdeveloped industrial sectors that results in large proportion of the workforce being employed in the informal sector without much social protection. In fact, it is argued that the provision of conventional social security measures alone could lead to an accentuation of the differences between workers in the formal and informal sectors and strengthen the dualistic tendencies in the economy.

Additionally, the recent trend towards implementation of the process of economic reforms in most developing countries imparts urgency to the task of redefining the concept of socio-economic security and charting out its contours. Economic reforms in most countries have led to a further truncation of the proportion of workforce employed in the organised sector as firms have resorted increasingly to the use of ‘flexible labour’ which in turn has increased the insecurity dimensions of employment.

The analytical framework presented emphasises the fact that the provision of socio-economic security is not to be construed merely as a measure contributing to workers’ well-being but as a redistributive measure that provides an effective remedy to the impediments that the poor face on account of structural factors and an inegalitarian growth process. Thus, socio-economic security is considered to constitute measures at four levels. Level I includes broad measures to enhance social capabilities, particularly education, health and nutrition levels of the population. Level II measures comprising programmes that are more directly targeted towards increasing the income levels of the poor through distribution of assets and generation of employment. Level III measures including conventional social security measures aimed at workers employed in the formal sector and providing security in times of specific contingencies. Level IV measures comprising social assistance measures addressed to the destitute and vulnerable that are transfer payments from government budget.

The agents that provide such security are also spread over the government, firms, households and the community. The role of the government and community assumes importance in combating the unequal economic structure and in ensuring access of the poor to minimum levels of socio-economic security.

11. Piecemeal formulation

The socio-economic conditions prevailing in India have been marked by structural impediments, which result from social as well as economic factors. Though the Constitution of India exuded a vision of an egalitarian society where provision of various elements of socio-economic security by the government played an important role, the successive policies adopted towards this end have not had much success. The reasons for this may be traced as much to the inadequate understanding of the concept and nature of socio-economic security as to the transplantation of models developed under different socio-economic contexts without recognising the structural constraints prevailing in the economy. It is due to such an approach that the provision of even statutory measures of what constitute conventional social security measures has been inadequate and piece-meal in nature. The coverage of the schemes is also confined in India to a minuscule proportion of 8 per cent the workforce.

Provision of conventional social security as well as social services that contribute to the enhancement of social attainments continues to be governed by the human resource development paradigm that relies to a greater extent on individual initiative for undertaking investment in human capital. The inappropriateness of this paradigm in a milieu characterised by an unequal distribution of income and assets and widespread poverty has yet to be recognised at the policy level. Also lacking is the realisation that socio-economic security constitutes an integrated whole and the provision of various components of such security need to be conceived and implemented in a holistic manner. The intermittent and sporadic initiatives addressing different aspects of such security at different times, as well as the shift in emphasis from time to time has also resulted in unsatisfactory outcomes. Furthermore, since socio-economic security is considered more as constituting welfare, its provision does not constitute the main pivot of government's social policy. To add to this dismal situation is the fact that the linkages between socio-economic security and economic growth are either not understood, or if at all understood, are reflected poorly in government policy. It is this combination of circumstances that has thwarted the translation of the vision enshrined in the Indian Constitution into reality.

An added complication is the great variety of situations as well as policy orientations of numerous state governments within whose realm much of the responsibility for the provision of socio-economic security rests. While some of the states such as Kerala and Tamil Nadu have been at the forefront in the matter of implementing programmes for the benefit of the old and destitute, the same cannot be said of other aspects of such security. The individual states continue to harp on one or two schemes to the neglect of other aspects.

12. Policy ineffectiveness

The reflection of the above shortcomings of policy are found in the implementation of various measures for social security at the four levels identified. Level I measures have been ineffective in enhancing social capabilities of people despite several government programmes aimed at improving education, health and nutrition. The low and distorted levels of government expenditure, the focus on higher level facilities to the neglect of basic facilities, inadequate provisions for materials and components, poor quality of services rendered have resulted in poor utilisation of education and health infrastructure despite highly subsidised provisioning. The deprivation in terms of education and health attainments continues to be concentrated in the poorer sections of the population. The public distribution system aimed at providing subsidised food grains has been beset with poor targeting and leakages. Level II measures included mainly distribution of non-land assets and employment generation programmes. The functioning of the main asset distribution programme, the Integrated Rural Development Programme (IRDP) was unsatisfactory, riddled as it was with problems such as leakages and ineffective implementation. Employment generation programmes such as the Jawahar Rojgar Yojana were relatively more successful although the extent of income generated has not been such as to lift the target group above the poverty line.

The performance of the statutory social security Level III measures has not been any better. The Government of India has not to date ratified the ILO Convention No. 102, which is aimed at providing comprehensive social security to workers. As against the experience in other countries where there exists a single law providing various aspects of social security, in India, a plethora of legislation that governs different groups of workers was enacted at different times. The fragmented approach followed has resulted in different departments and ministries being responsible for various elements of socio-economic security rendering difficult the provision of any meaningful benefits to the workers. Moreover, the extent of benefits provided varies widely for the same target group depending on the type of legislation under which the group is covered.

The provisions of social assistance which constitute Level IV measures have been introduced only recently on a national scale though some state governments such as Kerala and Tamil Nadu have been implementing these for a fairly long period. The amount provided under the National Social Assistance Programme has been too meagre to be of substantial benefit to the beneficiaries.

It is in this context that the recommendations of the Task Force on Social Security set up by the Ministry of Labour, which submitted its report in 1999 assume significance. The Task Force strongly recommended the ratification of the ILO Convention 102 and suggested that various statutory measures pertaining to social security be integrated into a consolidated scheme. This suggestion needs to be taken seriously and measures initiated towards the formulation of an integrated scheme of social security in the country. However, since the schemes refer mainly to the statutory aspects alone, there is a need to extend the reform of socio-economic security beyond what has been suggested. Socio-economic security, in the sense in which it is defined in this paper requires even greater integration across sectors and ministries of the government. A fundamentally different approach that views socio-economic security as a fundamental right that is pursued within the human development paradigm is imperative for ensuring reasonable entitlements to the masses of poor in the country.

13. Towards synergy

It is obvious that given the range of measures that need to be implemented for providing a satisfactory level of socio-economic security in the country and also for ensuring adequate coverage and access to benefits no single agency can fulfil the required mandate. The participation of community-based organisations is often suggested as a ready solution. While not underestimating the importance of such organisations, what needs to be remembered is that the reach of such organisations is limited to a few regions or groups of people and experiments that are successful locally may not be so when replicated on a large scale. More promising are the more recent efforts at co-operative effort on the part of various agents - mainly the government, community-based organisations and often the private sector. The advantage of such tripartite arrangements is that it is possible to derive the benefits flowing from the larger reach of the government, and the familiarity with local situations that the non-governmental organisations have along with the financial strength and prudent practices of private sector institutions. The synergy accruing from such initiatives could also lead to a new dynamism in the provision of socio-economic security to the needy and galvanise its pace and content.

14. Concluding remarks

Issues pertaining to social security have for long been a neglected arena of government policy despite the articulate pronunciation of its importance in the Constitution of India. However, the changes in economic structure during the course of implementation of economic reforms have brought to the fore not only the biases in government policy but also the inherent inadequacies of existing measures in meeting the expectations of the masses. The forces of liberalisation and the harsh logic of insensitive markets have meant considerable economic distress to the poor following increasing insecurity of employment and income. Ironically, the bulk of these workers also lack basic education and modern skills that would have enabled them to take advantage of retraining programmes that are being offered, albeit on a limited scale. Workers are thus bewildered by the state in which they find themselves when familiar structures are crumbling and new circumstances are overwhelming, threatening their existence at the very brink of survival. It is under such circumstances that they turn to the government and the community for support. It is these two pillars that need to be strengthened expeditiously so that the genuine need for socio-economic security of the masses in India is met. Failure to respond sensitively to the anguish of the workers is beset with the perils of social unrest and upheaval, which in fact could undermine the continuation of economic reforms.

It is indeed unfortunate that reforming the social security system is being discussed when the fiscal situation of the government is under considerable stress. Cost effective solutions can be devised if the provision of socio-economic security is integrated over programmes within the government as well as across various organisations contributing to such security. Integration and synergy thus are the key requirements of reforming the socio-economic security system. The recommendations of the Task Force on Social Security addresses the former but not adequately the latter. The task of evolving an appropriate and meaningful scheme of socio-economic security system in the country is challenging but certainly not beyond the collective wisdom of the Indian people.

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Appendices

Appendix 1. Prevalence of occupational diseases in India

Occupational exposure	Prevalence (%)
Lead exposure (storage battery manufacture)	
Prevalence of symptoms of lead poisoning	67
Abnormal biochemical values	33-64
Diagnosed lead poisoning	4.8-16.7
Chrome exposure (Hexavalent Chromium Compounds)	
Nasal septal ulcers	20.6
Skin ulcers	20.9
Manganese exposure (Ferra Manganese Industry)	
Behavioral toxicological symptoms	35
Pathological reflexes	18
Tremors	2.6
Chronic Mercury Exposure	
Caustic soda plants	25
Chronic Mercury Poisoning	
Instrument manufacture	25
Dust – Producing Pneumoconiosis	
Asbestosis:Overall prevalance in asbestos	8
Asbestos Cement industry: Radiological abnormalities	8.7
Asbestos textile industry	
Radiological abnormalities	9.2
Respiratory symptons	46
Cotton Dust Exposure	
Byssinosis (overall prevalence)	29
Silicosis in pottery making and ceramics:	16
Mica processing	36
Metal grinding	27
Refractories	21
Foundries	11
Pesticide Manufacture	
Symptoms of adverse effects (overall)	58.5
DDT exposure (Hematological changes);	
Eosinophilia	22.4
Neutropenia	56.6
Lymphocytosis	60.5
Parathion exposure: Symptoms of organophosphate toxicity	26
Organophosphate pesticide formulators (cardiactoxicity)	
Abnormalities of heart rate	15.4
Abnormalities of rhythm and conduction	12
Dermatitis (occupational) in engineering and chemical industry	63.17
Noise-Induced Hearing Impairment in Hydroelectric Power Industry	19.6

Note: NA indicates Not Applicable

Source: Duruvasula, R. (1992), "Occupational Health Information Systems in India", in M.R. Reich and Toshiteru Okubo (ed.) *Protecting Workers' Health in Third World*, Auburn House, New York, pp.103-134

Appendix 2. Fundamental rights and directive principles in the Indian Constitution relevant for social security

Part A: Fundamental Rights

Article No	Kinds of Rights	Content
	Right to equality	
14	Equality before law.	The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India
15	Prohibition of discrimination on grounds of religion, race, caste, sex, or place of birth	The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any one of them. No citizen shall, on grounds only of religion, race, caste, sex, place of birth or any one of them, be subject to any disability, liability, restriction or condition with regard to – a) access to shops, public resta urants hotels, and places of public entertainment; or b) the use of wells, tanks, banking ghats, roads, and places of public resort maintained wholly or partly out of State funds or dedicated to the use of general public. Nothing in this article shall prevent the State from making any special provision for women and children. Nothing in this article or in clause (2) of article 29 shall prevent the State from making any special provision for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes.
16	Equality of opportunity in matters of public employment.	There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State. No citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any one of them, be ineligible for, or discriminated against in respect of, any employment or office under the State. Nothing in this article shall prevent Parliament from making any law prescribing, in regard to a class or classes of employment or appointment to an office [under the Government of, or any local or any authority within, a State or Union territory, any requirement as to residence within that State or Union territory] prior to such employment or appointment. Nothing in this article shall prevent the State from making any provisions for the reservations of the appointments or posts in favour of any backward class of citizens which, in the opinion of the State, is not adequately represented in the services under the State. Nothing in this article shall affect the operation of any law which provides that incumbent of an office in connection with the affairs of any religious or denominational institution or any member of the governing body thereof shall be a person professing a particular religion or belonging to a particular denomination.
17	Abolition of Untouchability	"Untouchability" is abolished and its practice in any form is forbidden. The enforcement of any disability, arising out of "Untouchability" shall be an offence punishable in accordance with law.
	Right against exploitation	
23	Prohibition of traffic in human beings and forced labour	Traffic in human beings and beggar and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law. Nothing in this article shall prevent the State from imposing compulsory service for public purposes, and in imposing such service the state shall not make any discrimination on grounds only of religion, race, caste,or class or any of them.
24	Prohibition of employment of children in factories, etc.	No child below the age of fourteen years shall be employed to work in any factory or mine engaged in any other hazardous employment.

Part B: Directive principles

Article No	Kinds of Principle	Contents
38	State to secure a social order for the promotion of the welfare of the people	(1)The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of national life. (2) The State shall, in particular, strive to minimize the inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.
39	Certain principles of policy to be followed by the State.	The State shall, in particular, direct its policy towards securing- that the citizen, men and women equally, have the right to an adequate means of livelihood; that the ownership and control of the material resources of the community are so distributed as to best to subserve the common good; that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment; that there is equal pay for equal work for both men and women; that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength that the children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and material abandonment.
41	Right to work, to education and to public assistance in certain cases	The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of employment, old age, sickness and disablement, and in other cases of undeserved want.
42	Provision for just and humane conditions of work and maternity relief	The State shall make provision for securing just and humane conditions of work and for maternity relief.
45	Provision for free and compulsory education for children	The State shall endeavor to provide, within a period of ten years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years.
46	Provision of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections	The State shall promote with special care the educational and economic interests of the weaker sections of the people, and in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.
47	Duty of State to raise the level of nutrition and the standard of living and to improve public health	The State shall regard the raising of the level of nutrition and the standard of living of its people and improvement of public health as among its primary duties and, in particular, the States shall endeavor to bring about prohibition of the consumption except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health.

Source: Government of India (1992), 'The Constitution of India (as on 1st September, 1991)', Ministry of Rules, Law and Company Works, New Delhi, p.13 –14

Appendix 3. ILO Conventions Ratified by India relevant for social security

Nature of Contingency	Title of Conventions	Number of Convention	Date of Ratification
Employment	1. Hours of Work (Industry) Convention, 1919	1	14.07.1921
	2. Night Work (Women) Convention, 1919	4	14.07.1921
	3. Minimum Age (Industry) Convention, 1919	5	09.09.1955
	4. Night Work of Young Persons (Industry) Convention, 1919	6	14.07.1921
	5. Weekly Rest (Industry) Convention, 1921	14	11.05.1923
	6. Minimum Age (Trimmers and Stokers) Convention, 1921	15	21.11.1922
	7. Forced Labour Convention, 1930	29	30.11.1954
	8. $ Night Work (Women) Convention (Revised), 1934	41	21.11.1935
	9. Underground Work (Women) Convention, 1935	45	25.03.1938
	10. £ Labour Inspection Convention, 1947 (and Protocol, 1995)	81	07.04.1949
	11. Employment Services Convention, 1948	88	24.06.1959
	12. Night Work (Women) Convention (Revised), 1948 (and Protocol, 1990)	89	27.02.1950
	13. Night Work of Young Persons (Industry) Convention (Revised), 1948	90	27.02.1950
	14. Discrimination (Employment & Occupational) Convention, 1958	111	03.06.1960
	15. @Equality of Treatment (Social Security) Convention, 1962	118	19.08.1964
	16. **Minimum Age (Underground Work) Convention, 1965	123	20.03.1975
	17. Merchant Shipping (Minimum Standards) Convention, 1976 (and Protocol, 1996)	147	26.09.1996
Unemployment	18. * Unemployment Convention, 1919	2	14.07.1921
Income	19. Minimum Wage-Fixing Machinery Convention, 1928	26	10.01.1955
	20. Equal Remuneration Convention, 1951	100	25.09.1958
Health	21. Medical Examination of Young Persons (Sea) Conventions, 1921	16	11.05.1923
	22. Workmen's Compensation (Occupational Diseases) Convention 1925	18	30.09.1927
	23. Equality of Treatment (Accident Compensation) Convention, 1925	19	30.09.1927
	24. Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934	42	13.01.1964
Occupation	25. Protection Against Accidents (Dockers) Convention, (Revised), 1932	32	10.02.1947
	26. Radiation Protection Convention, 1960	115	17.11.1975
	27. Benzene Convention, 1971	136	
	28. Right of Association (Agriculture) Convention, 1921	11	11.05.1923
Others	29. Inspection of Emigrants Convention, 1926	21	14.01.1928
	30. Seamen s Articles of Agreement Convention, 1926	22	31.10.1932
	31. Marking of Weight (Packages Transported by Vessels) Convention, 1929	27	07.09.1931
	32. Final Articles Revision Convention,1946	80	17.11.1947
	33. Indigenous and Tribal Population Convention, 1957	107	29.09.1958
	34. Final Articles Revision Convention,1961	116	21.06.1962
	35. Rural workers , Organization Convention , 1975	141	18.08.1977
	36. Tripartite Consultation (International Labour Standards) Convention, 1976	144	27.02.1978
	37. + Labour Statistics Convention, 1985	160	01.04.1992

Source: Government of India (1996), *Labour Yearbook*,1996, Ministry of Labour, Shimla/ Chandigarh

NOTES: Convention denounced subsequently; $ Convention denounced as a result of ratification of convention No. 89; £ Excluding Part 2; @Branches (c) and (g) and Branches (a) to (c) covered; **Minimum Age initially specified was 16 years but was raised to 18 years in 1989, ;+Article 8 of Part 2.