

A Study of Social Security Measures for Unorganized Labour and ILO Provisions

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ABSTRACT

The term unorganized or informal sector was first used in the socio-anthropological studies during the 1950 s. Its importance in the development process was highlighted by Arthur Lewis (1954).¹ The importance of informal sector can be realized by considering the employment potential and its role in promoting economic development. Most of the early literatures relating to this concept have come out from the studies undertaken under the auspices of ILO and World Bank, which make a plea for a better deal of this sector. ILO uses the word informal sector rather than unorganized sector and it is used frequently in the context of third world countries. The ILO definition (1972) incorporated the idea that informal sector had untapped development potential because of its flexibility and potential for creative response to economic change. The only specificity being absence of worker s rights and social security in every other way, both form part of an integral whole. In Indian context, the latest version and the most acceptable definition of unorganised sector‘ and unorganised employment‘ has been recently given by the National Commission for Enterprises in the Unorganised Sector (NCEUS) which has combined all the definitions.

Keywords: Social Security, Unorganised, Labour, Formal, Informal, Constitution, Workforce, Institutional, Convention

Introduction:

The issue of social security for the unorganized labour has become a growing concern in recent time which needs to be studied as a historical juncture in the trajectory of development planning in India where it was observed that the labour markets have been undergoing tremendous transformations. These transformation include growth of informal sector activities, determination in the quality of employment (in terms of job security as well as terms and conditions at work), weakening of workers Unions and Collective bargaining institutions, marked decline in social security and so on. The transformation in labour market is attributed to the ongoing globalization process and the resultant efforts on behalf of employers to minimize the cost of production to the lowest

levels. It is also clear that most of these outcomes are highly correlated and mutually reinforcing. A close study clearly suggests that growing information of labour market has been central to most of these transformations which inter alia highlights that utility of understanding the growth of unorganized sector in the country and discussing its implications.

The growth of organised employment in the country has always been less than that of total employment, indicating a faster growth of employment in the informal sector. Temporal data suggests that within the formal sector also the proportion of informal/unorganised workers are on the increase. For instance, by providing a comparison of the NSSO Employment Data for 55th and 61st Rounds (for 1999-2000 and

2004-2005 respectively) the NCEUS (2007) explains that the country is currently in a state of 'informalisation of the formal sector', where the entire increase in the employment in the organised sector over this period has been informal in nature (NCEUS, 2007).

Dominance of informal employment has been one of the central features of the labour market scenario in India. While the sector contributes around half the GDP of the country, its dominance in the employment front is such that since early 1980s and even before that more than 90 per cent of total workforce has been engaged in the informal economy. As per the estimates of the National Commission for Enterprises in the Unorganised Sector (NCEUS), the unorganized sector/informal sector workers comprise about 86 per cent of workforce in the Indian economy in 2004-2005 and informal employment, both in the organised and unorganized sector as 92 per cent. This national level pattern of informal workers occupying around 90 per cent of the workforce is more or less similar in the case of most of the prominent states in the country. Among the unorganised sector workers, a considerable proportion (about 65 per cent) is engaged in agricultural sector, which in turn indicates the prominence of rural segment in the informal economy.

It has been widely accepted that the informal sector in India suffers from a low productivity syndrome, compared to the formal sector. The prominent features of the sector are lower real wages and poor working/living conditions. Further, the sector is characterised by excessive seasonality of employment (especially in the farm sector), preponderance of casual and contractual employment, atypical production organisations and work relations, absence of social security measures and welfare legislations, negation of social standards and worker rights, denial of minimum wages and so on. Poor human capital base (in terms of education, skill and training) as well as lower

mobilisation status of the workforce further add to the vulnerability and weaken the bargaining strength of workers in the informal sector. Thus, the sector has become a competitive and low cost device to absorb labour, which cannot be absorbed elsewhere, whereas any attempt to regulate and bring it into more effective legal and institutional framework is perceived to be impairing the labour absorbing capacity of the sector.

The expanded prominence of the informal sector is duly acknowledged in the recent policy documents of the Government of India, which discusses the ways and means of employment generation, to benefit the growing mass of unemployed. For instance, a special group constituted by the apex-planning agency of the country (i.e., Planning Commission of India) on "Targeting 10 Million Employment Opportunities per year over the 10th Plan Period (2002-2007)" explains that— "exclusively for generating the desirable high level of employment in the country, one has to target the unorganised sector, including small and medium enterprises" (Government of India, 2002).

With the induction of globalisation and resultant reorganization of production chains led to a situation where production systems are becoming increasingly atypical and non-standard, involving flexible workforce, engaged in temporary and part time employment, which is seen largely as a measure adopted by the employers to reduce labour cost in the face of stiff competition. A larger body of literature suggests that these flexible workers in the new informal economy are highly vulnerable in terms of job security and social protection, as they (unlike their counterparts in conventional occupations) are not deriving any of the social protection measures stipulated in the existing labour legislations. The insecurities and vulnerabilities of these modern informal sector labour (for instance, those in the new service sector occupations) are on the rise, as there is a

visible absence of worker mobilisation and organised collective bargaining in these segments, owing to a multitude of reasons (Remesh, 2004).

In India, the informal sector, which accounts for about 7 per cent of the total workforce, benefit from a fair minimum standard of social security. The provisions of social security for organised workers are mainly protective in nature and are provided through a legal framework and institutional infrastructure created under enabling legislations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. In contrast to this, the social security arrangements for vulnerable poor in general and informal workers in particular have been very minimal. For instance, rough estimates shows that only less than 3 per cent of unorganised sector workers are covered by some social security measures. Nonetheless, the government and other societal institutions have launched various social security programmes to meet the basic subsistence needs and contingencies of the poor and informal sector workers since long, starting with the community development programmes (CDP) in 1950s.

ILO and Social Security Measure:

The Social Security (Minimum Standards) Convention, 1952 (No. 102), is the flagship of all ILO social security Conventions, as it is the only international instrument, based on basic social security principles, that establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are:

1. Medical care;
2. Sickness benefit;
3. Unemployment benefit;
4. Old-age benefit;
5. Employment injury benefit;
6. Family benefit;
7. Maternity benefit;
8. Invalidity benefit;

9. Survivors' benefit.

While Convention No.102 covers all branches, it requires that only three of these branches be ratified by Member states, which allows for the step-by-step extension of social security coverage by ratifying countries.

Limitation of Study and Research Methodology:

The study is completely limited to the areas of Bihar and labourer of MGNREGs are the focus of the study..

The present study is based on secondary data which includes various data issued by the Central government as well as state of Bihar. In addition to above, various reports published by government of India and Bihar government books, journals, articles, newspaper forms the part of security data.

Objectives of the Study:

The research paper is based on the following objectives:-

1. To find out the status of social security measures in India in general and Bihar in particular.
2. To find out the social security measures suggested by ILO.
3. To find out the level of implementation of social security measures.

The informal labourer have to face a lot of difficulties in real life at their working place. Either it in a case of agriculture labourer in brick-klin labourer. Construction labourer and others, they are deprived of the minimum social security measures. Although various social security measure are available in Bihar like the Employees State Insurance (ESI) scheme for medical benefit, maternity benefit sickness benefits, benefit for employees in case of illness, injury or death, Indira Gandhi National. Old age Pension, Indira Gandhi National Widow Pension, National Disability Pension scheme, National family benefit scheme (NFBS),

Annapurna Scheme, domestic workers and Social protection scheme of Bihar Government. The MGNREGA is also a social security scheme that attempts to provide employment and livelihood to rural labourer.

Conclusion:

International Labour organisation (ILO) occupies an important role in the formation of social security policies for the labourer of informal sector/unorganized sector. ILO has mentioned in its definition of Social Security as the security that society furnishes through appropriate organisation against certain risks to which its members are perennially exposed. Really, these risk are essentially contingencies against which a person with small means cannot effectively provide by his own ability. Hence, the mechanics of social security consists in counter acting the blind injustice of nature and economic activities by a rational planned justice with a touch of benevolence to tamper it.

Social Security (Minimum Standards) convention, 1952 No-2 is the main instrument of ILO which covers nine branches of social security namely health care, sickness, old age, unemployment, employment injury, family and child support, maternity, disability and survivors and orphans.

It is clear from the above study that various social security measures are available in India as well as Bihar. The ILO has also provided an extensive platform of social security for the unorganized labourer. The fact remains that implementation part is poor and at the same time,

labourer fail to enjoy these benefits due to illiteracy and ignorance.

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