

Nature of Social Security in Globalizing India

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ABSTRACT

Social Security is increasingly seen as an integral part of the development process. It helps to create a more positive attitude not just to structural and technological change but also the challenge of globalization and to its potential benefits in terms of greater efficiency and higher productivity. In this paper the author will try to discuss about different aspects of social security scenario in India and Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 in particular.

Keywords: Social Security, Social Protection, World Development Report, Decentralized Democracy, MGNREGA

INTRODUCTION

Social Security is both a concept as well as a system. It represents basically a system of protection of individuals who are in need of such protection by the State as an agent of the society. Such protection is relevant in contingencies such as retirement, resignation, retrenchment, death, disablement which are beyond the control of the individual members of the Society. Men are born differently, they think differently and act differently. State as an agent of the society has an important mandate to harmonize such differences through a protective cover to the poor, the weak, the deprived and the disadvantaged.

A formal social security system presupposes the interventionist role of the State on redistribution grounds. Social security measures are generally income, maintenance measures intended to provide a minimum living to the people when they are deprived of the same due to invalidity, unemployment or old age. The two basic elements of social security are provision of a 'minimum living to those who are deprived of the same and 'selective redistribution of income' to a target group to reduce inequalities.

Social Security in India was traditionally the responsibility of the family/community in general. With the gradual process of industrialization/urbanization, break up of the joint family set up and weakening of family bondage, the need for institutionalized and State-cum-society regulated social security arrangement to address the problem in a planned manner in wider social/economic interest at national level has been felt necessary. Currently, ongoing measures towards transformation process for trade and industry, increasing role of market forces and increase in longevity, in general world over has added a new dimension to the issue and enhanced the requirement further towards a planned and regulated institutionalized measure in the form of social security in its common understanding.

METHODOLOGY

As the study is merely descriptive in nature the investigator has made an honest attempt to study the various relevant books/Journals/Government website for the information regarding the history of social security in The investigator has tried his utmost to make the study as objective as possible by employing different previous studies and information available on internet.

Interrogating the State: Social Security

In order to make an argument that social security policies in India are contested, it becomes important to analyse the nature of state within a neoliberal political economy. Leys (2008: 65) argue that understanding neoliberal democracy requires a perspective that is appreciative of the manner in which all national politics are market driven. Such a perspective changes the meaning of the term 'democracy'. The governments now to survive in office must increasingly manage national politics in such a manner so as to address the pressures of trans-national market forces. The challenge before the governments is to address the contradiction between social needs of the public and the interests of the globalised capital. One way of dealing with the challenges involves cutting down of taxes and social security benefits. What is important is to realise is that the

reality of liberal democracy was a democracy that was constricted and now neo-liberal democracy reduces it critically. What has happened is that capital mobility has forced the national governments to design policies that are not only sensitive to 'market sentiment', but also to the regulatory demands of transnational corporations'. Within the neoliberal state there is a visible shift of the balance in power from citizens to the global capital. As Leys (2008: 69) states the 'term market driven politics' refers simply to the political dimension of the shift of power from voters to capital that results from trans-border capital mobility'.

Lerny (1993: 79-80) comments that the 'Governments have found their capacity to intervene in the domestic economy significantly altered, reducing their power to pursue comprehensive economic strategies and differentiating and complicating the kind of market interventions which they are led or forced to adopt'. Thus on one hand one can observe the vastly improved powers of the global market forces, which reshapes the social relations of production in all countries and on the other downsizing of the state and converting the public sector into a space for capital accumulation and reducing government accountability to the electorate. As Leys (2008:82-82) specifically observed that the 'state is radically reshaped and the boundary between it and the private interests of capital fatally eroded. Further such a state is also reflected in the marked shift in division of national income between capital and labour. It is a situation where the less-skilled workers reveal a decline in real wages, casualisation and higher unemployment but the value of highly skilled labour increases greatly. Such a process reveals patterns of inequality and disparities of power.

Kabeer (2010: 2) states that 'the deregulation of the labour markets across the world, accompanied by reductions in social security provisions where these existed, have served to make labour markets increasingly informal and to turn labour into an extremely flexible resource that can be hired and fired in response to the market signals. Gopal (2006) argues that the liberalisation policy of the government of India has specifically rendered the ageing population vulnerable. The neoliberal state has consistently ignored the elderly, especially the ageing population working within the unorganised sectors who have for a very long time been denied benefits and continue to work as marginalized labour.

In this context, social security becomes extremely important. Social security could be referred to as public action by state to protect the poor and vulnerable from adverse changes in living standards. It includes employment and income guarantee; assistance to credit, social insurance unemployment benefits, pensions, family allowances. The idea of social security is based on public policy especially designed and implemented by government and local authorities and community based associations (Ahmad 1991). Dreze and Sen (1991) define social security as 'the basic idea of social security is to use social means to 'prevent deprivation and vulnerability to deprivation in order to ensure sustainable human development over time'.

Nature of India's Workforce

India has a large workforce that is devoid of any protection and security, and its vulnerability is heightened by the fact the economy is defined with jobless growth. What is the nature of this workforce? Breman and Kannan (2013) on the basis of the reports of the National Commission for Enterprises in the Unorganised Sector (NCEUS) in 2004 state that the livelihood conditions of the workforce include the following:

1. 86 per cent of the total workers are in the informal sector
2. Self-employment is the dominant form of employment in the Indian economy, where the main worker is assisted by unpaid family labour.
3. Casual labour is the next largest category, defined by low wages and irregular work. Labourers face short and long periods of unemployment, with work being of seasonal nature.
4. In this category workers are defined as vulnerable as apart from low wages and irregular employment, the conditions of employment are often terrible, with no basic amenities and in many cases one can see a prevalence of bonded labour.
5. What is challenging is that informal sector is dominated by women, especially belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs). These women work under great wage disparities, at jobs requiring low level of skills and education, thus poorly paid and uncertain.
6. Workers work under conditions where there is an absence of labour contract, the non-implementation of labour laws (such as minimum wages), and their conditions of poverty rendered worse by their lack of agency and representation.

There seems to be an increase in short duration/seasonal/ circular migration workers, estimated by the NSS at around 16 million and by independent research at 40 million (Srivastava 2011 cited Breman and Kannan 2013). The major causes of vulnerability is not only the fact of economic insecurity but such a position is rendered more vulnerable by their social identity determined by caste, which fixes people at the bottom of the heap. The labouring poor belong to the SCs, STs,

members of the Muslims community and other communities that classified as Other Backward Classes (OBCs). The group faces multiple levels of vulnerability.

Nature of Social Security in India

National Commission has outlined 'levelling -up', strategy, which includes favour decent employment rights and introduction of 'social floor' of labour rights and standards that include introduction of a national minimum wage, minimum conditions of work and provision of social security. The government as part of a strategy introduced three schemes; one the provision of employment in public works; two, a package of contingent social security including health insurance and three, social benefits for the non-labouring poor. Though not adequate such provisioning helps dealing with extreme marginality.

The question in the current era of globalization is whether the government's social spending helps to improve the income distribution in the developing countries. (Rudrah 2004) states that globalization impacts countries differentially. The opening up of markets leads to greater inequality, where in the competitive markets, the developing countries find it challenging to direct existing social security and health programmes toward the poor. At the very end every aspect of people's lives are calculated on the basis of economic cost and efficiency. The proponents of globalization are very much concerned with targeting social security effectively in both the developed and in developing countries. It is important to understand this concern within the context of rising costs, growing budget deficits and rising political sensitivities of 'middle-class capture' (Ahmad 1991).

It was in the 1950s with the constitution endorsing social security that marked the beginnings of social security in India, particularly related to health insurance, worker protection and unemployment relief. The efforts of the government were unfortunately piecemeal, including non-legislated benefits to public employees such as social insurance schemes for workers in the organized sector and social assistance, which included schemes such as Employees Provident Fund Act, 1952; Family Pension Scheme 1971; Maternity Benefit Act 1961 and Payment of Gratuity Act 1972. The kind of social security programme includes employment and income guarantee; assistance in credit, programmes of social insurance, unemployment benefits schemes, pensions, family allowance, health care. The aim behind the social security schemes is to protect the poor and vulnerable, reduce risk and facilitate income redistribution (Ahmad 1991; Kannan 1995; Kannan and Breman 2013; Drese and Sen 1999). The policies are framed by the government and are implemented by the local authorities and the community. It has been argued that the neoliberal state continues to deny benefits; to the ageing (Rajan 2014) and especially within the unorganised sector (agricultural labourer) working as marginalised labour (Guru 2006).

Unfortunately, as Kannan (2007), Kannan and Breman (2013); Kannan and Paola (2007); Jhabvala (1998) and Pillai (1996) argue the programmes implemented were piecemeal efforts as they were non-legislated benefits to public employees forming a miniscule percentage of the population. Such an approach is deeply flawed as they do not include any social security schemes for the majority of workers in unorganised sector. Kabeer (2010) argues that in majority of the developing countries social security measures were available to a small, male dominated section of the workforce employed in the public and private sectors of the economy. In this context a vast majority of workers both men and predominantly women, were building their livelihood in the informal economy with almost no statutory benefits and largely invisible in official records. Further such interventions were challenged with the institutionalising of neoliberal ideologies that emphasised on free market and liberalised economy and the downsizing of welfare regimes, which led to the reframing of social security policies within the developing countries making it more specific and targeted.

The biggest gap within the social security policy in India is lack of social protection for the working poor (NCEUS 2008). The NCEUS proposed legislation for a national minimum security package for unorganised sector workers forming approximately 90 % of the working population and who work without any form social protection. It proposed to include programmes of social insurance, social assistance for life and health cover, old age benefits to all workers within a period of five years financed by the Centre and state government, and employers and workers at a cost of less than 0.5 percent of GDP after five years. The government discarded the commission's recommendations for statutory backing and still after 7 years there is no action on them. Breman (2010) states that the government has 'shunned' the NCEUS report, as it did not want to acknowledge that deprivation in India continues unabated. The approach of the government is to initiate populist policies without addressing the structural causes. NCEUS 2009: 152), in their report commented that the Unorganised Workers' Social Security Act (UWSSA) 2008, does not provide for a 'national minimum social security' for all unorganised (informal) workers. Neither has it had an independent body at the national or state level, nor a fund for financing the proposed national minimum social security. The NCEUS states categorically that 'the politics of economic inclusion has yet to catch up with the politics of inclusion. The disconnect between the dominance of neoliberal orthodoxy in economic policy and the yearning of the vast majority for a life of work with dignity and security is getting increasingly glaring in a fast growing India'.

Among the state initiated interventions of the major programme pursued was a National Rural Employment Guarantee, which became a landmark programme for providing employment security to the labouring poor. An important part of NREGA is that it is the only welfare social security scheme that is based on self-selection. It does not exclude participation in public works of people not officially identified and registered as having a BPL status (Breman and Kannan 2013).

While there is a recognition of the fact that one needs programmes such as MNREGA to provide a basic minimum of employment security to the land-poor and landless, neo-liberal advocates critique such interventions. World Bank in its World Development Report 2009, states that for overall development it is necessary for a shift to non-agrarian work and income. Breman (2010) argues that the World Bank is in the lead of the group that argues that because of the pressure on agrarian resources, where the man-land ratio is becoming even more adverse; migration to non-agrarian work and income is a necessity. But in doing so, the precariousness of labourers within the urban informal economy is not highlighted (Breman, Guerin and Prakash 2009). What is even more interesting, Breman (2010) is the argument put forth by the World Bank, where it condemns setting up barriers against labour mobility. According to the World Development Report 2009, efforts to increase rural employment opportunities, especially through government sponsored programmes such as MNREGA are assessed as waste of time and money. It states that such interventions by the government are ill advised as it leads to undercut of the free flow of the labour. Mariganti (et al.,) (2009) critiques this position of the World Bank and argues that MNREGA has a number of benefits. They state, 'Media reports since the introduction to the programme indicate that in many area of the country MNREGA is described by the reports as retarding labour mobility, has enhanced the confidence of rural workers who have intensified MNREGA, the Report effectively disavows such struggle and their (however limited) success in winning modicum of rights and thereby a spatial advantage of migrants workers. Representation in the Report of this policy and practice as ill-conceived effectively erase not only the (emotional and physical) injuries that becoming mobile entails for a large number of people, but also the responsiveness of governments to democratic pressure'.

The need of such programme was argued for also by the National Commission on Rural Labour (NCRL) as far back as 1991. Breman (2010:21) cites the NCRL, where it was stated that there was an urgent need for the introduction of social security provisions for the workforce in the informal sector in the rural and urban economy. NCRL (1991:viii), where it states that 'the expenditure on social security in India hardly accounts for 2.5 per cent of GDP. This is among the lowest in the world. Most of the social security benefits from this meagre allocation accrue to the well organised urban work force, who account for only one-tenth of the total work force. However, there is now a need to provide adequate social security to the rural labour. A wide variety of social security schemes for rural labour are currently in operation in different States, although the coverage and the scale of assistance are far from being adequate'. In this context the MNREGA becomes crucial in providing a modicum of social security to the large rural labour force. The following section will analyse the programme and examine based on existing literature to what extent has it addressed the social security concerns of the poor.

Public Works Programme as Providing Employment Security: Analysis of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005

To the question what does the programme entail, it is a rural public work programme that was initiated by the Government of India to provide guaranteed employment, with minimum wages. The MGNREGA includes provisions such as guaranteed employment for applicants (100 days per household), universal coverage, time-bound extension throughout rural India, assured minimum wages and full transparency of the records. Breman and Kannan (2013) state that MGNREGA was the flagship initiative programme of the National Common Minimum Programme, of the United Progressive Alliance (UPA) government when it came to power in 2004.

Though Kannan and Jain (2013:33) argue that MGNREGA was the 'first ever attempt to help the rural poor access public employment through legislation', it is not true. It is important to recognise that MGNREGA was inspired by the Employment Guarantee Scheme (EGS) of the government of Maharashtra initiated in 1977 in order to address falling rates of employment in rural Maharashtra in agriculture, due to severe drought like conditions and what made the programme distinctive is the fact it was based on legal right to employment (Chari 2006). The EGS is a law, which guarantees work where the state has to provide work on demand and also include provisions such as equal minimum wages for men and women, crèches, drinking water and sanitation facilities at work sites.

Observations and research on the programme reveals that EGS has attracted unskilled labour force, and has failed to provide any form of training to these unskilled labour forces, including women. The families continue to depend heavily on the scheme for unemployment and income even after decades of its existence. The programme plays a crucial role in thwarting hunger but fails to provide means to slowly build their lives within a more secure and stabilised livelihood that is sustainable. The EGS programme works rather at meeting immediate crisis and is not designed towards building long term sustainable livelihood opportunities (Chari 2006).

Similar to the struggles that were fought for the enactment of EGS, the demand for a strong public employment programme like NREG backed by legislation was fought hard by civil society organisations. Breman and Kannan, argue that the initial draft of the programme submitted for enactment to the parliament was very watered down, that a number of civil society groups and activists demanded re-examining of the programme. The final version of the bill included: guaranteed employment for applicants (100 days per household), universal coverage, and time bound extension throughout rural India, assured minimum wages and full transparency records kept. What is interesting was that the policy makers did not cover the urban economy though initially they had made a commitment (2013: 7).

What was the nature of public works to be performed under the programme? Breman and Kannan (2013) state that public works came to be perceived as employment invested infrastructural agricultural projects such as, land levelling, doffing of bore wells, construction of irrigation canals and rural roads, bunding and building of check dams. Further the constructions was to be done on public land (owned by panchayats) or community owned collective properties and later on the land of small and marginal farmers, beginning with those belonging to the SCs and STs. Breman and Kannan (2013:8) state, 'the upgrading of slum settlements inhabited by them- house construction, building of access roads, street lighting, sanitation via construction of sewers, arranging for tap water, garbage disposal- tended to be looked upon as outside from the ambit of public works. This illustrates why more than half of the rural poor still have to go to the open fields around their tenements for defecation and why the most denigrated castes, 'beyond the pale' are still involved in manual scavenging'. The analysis reveals that the definition of the public works has not moved beyond a point and we need to question to what extent has the programme helped to strengthen the infrastructure within the rural economy. Further Breman and Kannan state that care for babies and infants, or the aged and disabled has never been considered for inclusion in the scheme of guaranteed employment. To this end the earlier programme, the EGS of Maharashtra, is a scheme, lauded and evaluated as being 'women friendly' as it included the provision of crèches for babies and infants (Chari 2006).

The key factors of this programme

Use of decentralized institutional mechanisms to implement the programme. The Act uses Panchayati Raj institutions (PRIs), which did the planning so that an organic link between the programme and the local demands were being addressed.

1. Promote sustainable development of the rural economy through generation of productive assets.
2. Operate on 40:60 ratio, where the state government provided funding for one-fourth of the material cost, including the wages of skilled and semi-skilled labour and the remaining expenditure on materials and wages to the unskilled labour force used to be paid by the Union Government.
3. Targeting women, with a stipulation that one-third of the working force be women.
4. Made provisions of crèche for the children, along with other facilities of shade, water, first aid.
5. Finally makes restricted use of machines and contractors along with providing the medical and accidental benefits to the NREGS workers.

The major contribution of MGNREGA was in alleviating poverty, enhancing labour participation of women, social inclusion, asset creation and reduction in distress migration (Khera and Nayak 2009, Gill et al., 2012, Reddy 2012). Two aspects seem interesting; one NREG earnings improved food security. It did by three ways, i. enabled households to buy large quantities of food, which was cheaper and ensured long term security; ii. There has been a tilt towards diet-diversification shift from cereal dominated food habits and iii. An improvement in access to credit, especially to meet food related expenditures. For example in Punjab, Gill et al., (2012) argue that provision of additional employment under the NREGA to the SC landless families, especially during the lean seasons had strengthened their livelihood security and protected them from the experience of poverty. But such experiences are not universal. What is also interesting is that there has been an enhancement of collective bargaining and strength and an augmentation of workers' banking capabilities.

Challenges in Implementing MGNREGA

1. In the state of Odisha NREGA could not make a dent on poverty due to the inadequate delayed and erratic nature of employment and irregular and delayed wage payments (Kumbhar 2012).
2. Prevalence of Institutional Bottlenecks, where the prevalence of village level politics acted as a formidable barrier in the proper implementation of the programme (Kumbhar 2012).
3. Creation of assets not reaching its target as there is lack of comprehensive and systematic planning in the selection of projects which has lowered the potential benefits of the scheme (Gill et al., 2012)
4. Increased problems of misreporting and corruption, where projects are seen on paper but not in real (Joshi 2012, Breman 2012)

5. Limited generation of mandays under the programme. Here the access to employment remained conditional upon availability of work rather than as a right. Drese et al., (2011) reported that in Odisha, there was acute shortage of staff from top to bottom.

Kannan and Jain (2014: 73-75) based on the analysis of a number of micro level studies state that there are number of issues that needed to be addressed for realisation of its potential:

1. MGNREGA is limited in its design as well as implementation. There was no need to set a limit of 100 days of work as the demand for work was confined to the manual work and only the poorer households would be attracted.
2. The fact that there is a limited implementation resulting in about a half of the permissible days of work, reflects the fact that there is either a lack of strong political commitment or weak implementation machinery or a combination of both.
3. Delay in wage payment decreases the bargaining power of the households as they do not have the capital to handle the daily household expenses.
4. It is important to converge MGNREGA with other rural capital formation projects so as to enhance rural capital formation, especially in areas of land and water resource management and development.
5. Need for a better political commitment at the state level so that there is more effective performance.

CONCLUSION: ENSURING LIVELIHOOD SECURITY

We conclude the module on Social security by highlighting the major issues that need to be addressed if the policy makers plan to intervene and design a policy that would ensure livelihood security. Breman and Kannan (2013: 26-28) state that the following points should be taken into consideration if one has to ensure livelihood security, with an important aspect of human dignity. The first aspect is reengaging with the debate on poverty line. According to Breman and Kannan, the official poverty line has a quite low threshold, which excludes a large proportion of people who are vulnerable and deprived. Secondly, a large number of poor and vulnerable are excluded from the existing social security schemes. Thirdly, the need for a macro-social policy is argued for which would provide an umbrella perspective on social security interventions in India. Fourth, one needs to address social security policies within a sense of urgency. The crisis of socio-economic vulnerability is mammoth and thus one requires on immediate basis; a policy that would not allow any wage below the minimum wages, minimum conditions of work, national minimum social security to meet contingencies and eventualities for workers in the informal sector to meet contingencies and eventualities for workers in the informal sector of the economy and importantly social security for the non-labouring poor, the destitute and the differently abled. Fifth, need for universalisation of social security provisions. It is important to recognise that limiting social security provisions to the ultra poor could end up in perpetuation of rent-seeking at lower levels of bureaucracy. Sixth, it is important to include within the social security net the large number of migrant workers, working within diversified informal economy, especially the seasonal migrants. Seventh, there is a demand to reform and restructure the labour administration system that handles the implementation of various labour legislations and schemes. The approach of the implementing agencies argues Breman and Kannan, reflects highhandedness and indifference wherever pressure from the targeted beneficiaries is lacking. Eighth there should be recognition of the importance of collective action for and by the labouring poor in a democratic country like India. Finally, the need for a National Board, to monitor and keep the variation within the state level approaches under control, develop the best practices, push for better inclusive social policy and negotiate with the Industry and capital, to push them to address the concerns with the of the poor and marginalised, through better negotiation.

Thus it is important to note that to ensure sustainable social security any programme should be planned and implemented with political commitment, as within the largely precarious labour conditions, the poor finds dealing with poverty and vulnerability extremely challenging. Thus there is urgent need to continue the programmes that ensures at the least minimum levels of social security.

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