

## **Rethinking Social Protection for India's Working Poor in Unorganised Sector**

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### **ABSTRACT**

In recent times, provision of social security to unorganised sector workers assumed unprecedented significance in the development discourse in India. The various efforts of the Government of India such as designing of national level social security systems, contemplation of umbrella legislations for unorganised sector workers, introduction of social security cards (SSCs) and social security numbers (SSNs), and so on testify a paradigm shift, in the social security front. This visible change in the concerns of the policy makers and the attempts towards strengthening the social security measures, especially for the unorganised segments of the workers, reflect some of the ongoing transformations in the labour scene. Firstly, this is an outcome of the increasing realisation that the unorganised sector is growing at an alarming rate, where majority of the workers are left with no social security to fall back upon during contingencies and old age. Secondly, it is an acknowledgement of policy makers that the existing legal and protective frames have become grossly inadequate to address the issues of unorganised sector workers. Thirdly, it also suggests that, in view of the growing fiscal deficit scenario, the governments (both at the centre and in the states) also find it extremely difficult to sustain even the existing social security measures, which are currently being provided to only about 5-6 per cent of the workforce in organised occupations. Alongside these transformations, of late, the concept of 'labour reforms' has also gained prominence in various forums of social dialogue, where strong preferences towards concepts such as rationalisation, downsizing and contractualisation are raised. All these inter alia lead to the current situation of seeking alternatives in the provision social security, with partial or complete participation of other social partners or at times, the beneficiaries themselves.

Notwithstanding the efforts in recent years to strengthen and revamp the various hitherto existing social security interventions, most of the social security schemes and interventions for unorganised sector labour in India continue to be functioning far from their envisaged objectives and targets. While some of the newly designed schemes for social protection for unorganised sector workers have been shelved for want of resources, some other schemes are still crippling in their pilot stages. To some extent, this failure in the implementation front is due to the absence of a clear-cut road map that explains the feasible means of design, administration and financing of these interventions. In this backdrop, there is a need to rethink the existing social security interventions and to design more effective measures. Accordingly, in the proposed paper, an attempt would be made to rethink the existing social security interventions for the unorganised sector workers in India and to discuss the scope for designing more effective measures.

The major research questions that would be addressed in the paper include: What is the overall reach or coverage of social security schemes for unorganised sector workers? What are the support-led social security programmes for the unorganised sector at the level of states and all India? How growth-promising policies would help the unorganised

workers? What are the replicable lessons that one can learn from some of the state level experiences? What are the ways in which the existing measures could be strengthened to meet the challenges arising out of the ongoing transformations in the labour market (which are manifested in terms of bulging informal sector and shrinking employment in the organised sector; increased casualisation and contractualisation of employment; declining prominence of trade unions; and changing notions of work and work organisation)? To what extent the ongoing social security measures and the contemplated alternative approaches/ new initiatives address the risks arising out of the transitions in an era of increased labour market flexibility and growing non-standard employment?

The essay would be prepared in the form of a country paper and would be designed in seven sections. The introduction section would lucidly establish the ongoing transformations in the labour market of India and elaborate upon the implications of these development in the social security front. Section II would provide a detailed overview of the growing informal/ unorganised sector activities in the country, through an in-depth analysis of available country level data sets (such as those provided by National Sample Survey Organisation). Section III would provide an overview of hitherto implemented state level and national level social security measures for the unorganised sector labour and discuss their merits and demerits, giving due attention to the issues related to coverage, contribution-base and delivery of benefits. Section IV would discuss the emerging alternative approaches and newly contemplated initiatives and deliberate on the aspects of caution/concern related to the effective implementation of these measures. Section V would deliberate on the need for designing novel strategies for providing social security for the workers in the 'new economy', who are engaged in non-standard work and are subject to multiple risks including: greater job insecurity; issues arising out of atypical forms of work; risks of skill obsolescence and so on. Finally, Section VII would summarize the essay, besides highlighting the important policy issues/dimensions.

The basic objective of the paper, thus, would be to provide an overview of social security measures for unorganised sector workers in India, by highlighting unique dimensions of the recent efforts and approaches, for the benefit of international audience, which would inter alia provide ample scope for cross national and comparative analysis