
Research Perspective

SOCIAL SECURITY MEASURES IN INFORMAL SECTOR IN KERALA

Deepa V. D.¹ and D. Retnaraj²

The informal sector is growing continuously in India and Kerala is no exception. However, majority of the informal sector workers are left without social security benefits. This paper argues that though several social security schemes are on paper, vulnerability of workers remain as before as small proportion of workers are covered.

INTRODUCTION

The informal sector employment has been one of the central features of the labour market scenario in India. More than 90 percent of the workforce and about 50 percent of the Gross Domestic Product are accounted for by the unorganised economy (GoI, 2007). The National Commission for Enterprises in the Unorganized Sector (NCEUS) comments that India is currently in the state of informalisation of the formal sector, where the entire increase in the employment in the organized sector over the period has been informal in nature. However, most of the existing literature suggests that informal sector workers are highly vulnerable in terms of social security and social protection. Governments, state and federal, in India has adopted the legislative measures for social security and welfare of unorganized sector workers.

In Kerala 68.8 per cent of workers were concentrated in the informal sector activities in 2011-12, increasing sharply in recent times. As elsewhere in the country, workers in the unorganized sector in Kerala have low wages, no written job contract, and practically no social protection.

The concept of social security and social protection

There is no commonly and widely accepted the definition of the term social security, the terms social security and social protection being used interchangeably. International Labour Organization (ILO) used the institutional definition of social security and social protection as follows:

the protection which society provides for its members through a series of public measures against the economic and social distresses that otherwise would be caused by the stoppage or substantial reduction in earnings resulting from sickness, maternity, employment injury, unemployment invalidity, old age and the death provision of medical care and the provisions of subsidies for families with children (ILO-1989).

Over time it goes on to identify social security as measures necessary to: a) offset the absence / substantial reduction of income from work resulting from various contingencies; b) provide people with health care; and, c) provide benefits for families with children. Social security therefore must be treated as social means to prevent deprivation and vulnerability to deprivation and social security system can be divided into two groups – Protective and Promotional. Protective measures aim at preventing a decline in the living standards in general and basic conditions of living in particular. Promotional measures aim at enhancing the existing living conditions.

¹ Deepa V D, Research Scholar, Dr John Matthai Centre, University of Calicut, Thrissur, Aranattukara, deepavdmes@gmail.com

² Dr D Retnaraj, Professor, Dr John Matthai Centre, Aranattukara, Thrissur.

Social Security for Unorganized Sector in India

The International Labour Organizations (ILO) adopted the declarations of fundamental principles and rights at work in 1998. The workers' rights, referred to as core labour standards of the ILO are included in the eight ILO conventions. The provision of social protection in India has come into force in Article 38 (securing a social order for the promotion of welfare of peoples and 41 (right to work, education and public assistance in certain cases) of the constitution as a part of the Directive Principles of State Policy. However, nearly 97 per cent of the casual workers, 54 percent of self employed workers, and 74 percent of all workers are still not eligible for any of the social security benefits (Ghumman, 2012).

Laws for Unorganized Sector workers

The central laws which regulate the conditions of work in the unorganized sector fall into the 3 groups. The first group applies generally to the unorganized sector and includes the Equal Remuneration Act (1976), and the Bonded Labour System Abolition Act (1976).

The second set laws which apply to some sections of unorganized labour. It includes: Minimum wages Act (1948), Child labour (Regulation and Prohibition Act (1986), Dangerous machines(regulation act1983), The employment of manual scavengers and construction of dry latrines (prohibition act 1993), Interstate migrant workmen (regulation of employment and condition of serviceAct1979, Motor Transport workers Act 1961, Sales promotion employees Act (1976), The Trade Unions Act 1926.

The third group of laws applies mainly to the organized sector workers, but in certain cases or by reducing the employment criterion these laws can apply to some sections of workers in the unorganized sector. The Beedi and Cigar workers (condition of employment) act 1966, Payment of wages act 1936, Building and other construction workers, regulation of employment and condition of service act 1996, The contract labour (Regulation and abolition Act (1970), The maternity benefit act 1961, Workmen's compensation Act (1923), Weekly Holidays Act 1942 belong to this group.

Objectives & Data sources

Against this backdrop the central objective of this research is to examine availability of social security benefits for the informal/unorganised workers in Kerala by using the latest NSSO (68th round) Employment and unemployment survey.

FINDINGS & CONCLUSION

Kerala has a rich history of positive social features like high literacy rates, low birth, death and infant mortality rates for both men and women and welfare activities. The welfare fund model of social security for unorganized sector workers in Kerala has its beginning in 1969, with the formation of a welfare fund for toddy workers. In 1977, another welfare fund known as the Kerala Labour welfare fund was set up for workers in small scale factories, plantation, shops and co-operative institutions in the early in 1980s trade union pressure and pro labour policies of the state government, led to the establishment of a series of welfare fund schemes. There are at present 28 welfare boards but 23 are functioning well (Table 1).

Table 1
Welfare Funds in Kerala

Name of the welfare fund	Year	Position
Kerala toddy workers welfare fund	1969	Statutory
Kerala labour welfare fund	1977	Statutory
Kerala head load workers welfare fund	1983	Statutory
Kerala Motor transport workers welfare fund	1985	Statutory
Kerala advocate clerk welfare fund	1985	Non-statutory
Kerala artisans and skilled workers welfare fund	1986	Non-statutory
Kerala cashew workers relief and welfare fund	1988	statutory
Kerala khadi workers welfare fund	1989	Statutory
Kerala coir workers welfare fund	1989	Statutory
Kerala fisherman welfare fund	1989	Statutory
Kerala handloom workers welfare fund	1989	Statutory
Kerala abgari workers welfare fund	1990	Statutory
Kerala construction workers welfare fund	1990	Statutory
Kerala agricultural workers welfare fund	1990	Statutory
Kerala state lottery agents welfare fund	1991	Non-statutory
Kerala document writers scribes and stamp vendors welfare fund	1991	Non-statutory
Kerala auto rickshaw workers welfare fund	1991	Statutory
Kerala anganwadi workers and helpers welfare fund	1991	Non-statutory
Kerala tailors welfare fund	1994	Statutory
Kerala co-operative employers pension board	2000	NA
Kerala ration dealers welfare fund board	2000	NA
Traders welfare fund board	NA	NA
Kerala bamboo, Kattuvalli, and pandanus leaf workers welfare fund.	NA	NA

Source: Labour Report in Kerala (2011), Patric (2011)

The protective social security system in Kerala has wide range of schemes implemented through institutional and non-institutional measures, for where there is direct state budgetary support. The schemes cover women, children, handicapped persons agricultural workers tree climbers and workers etc. In various employment like cashew, coir, khadi, handlooms, toddy tapping, motor transport, loading and unloading, beedi making, building and other construction, shops and commercial establishments, tailoring, small plantation workers, Jewellery workers. The major types of benefits given to the members of the schemes range from assistance for loans and advances, old age pensions, family pensions, accident benefits, medical treatment assistance social assistance to meet expenses for marriage, education, illness, funeral and maternity purposes.

In spite of that most of the unorganized sectors are yet to be covered by social security measures. 96 per cent Informal sector workers in Kerala are not eligible for any of the social security benefits (Table 2). Only 6 percent of them are eligible for PF or pension, 5 per cent enjoy gratuity benefits, 3 per cent enjoy maternity and health care benefits. It is also clear that the situation in Kerala is worse than the national average for most of the notified benefits.

Kerala is far ahead in implementing welfare schemes for unorganized sector workers as compared to other states in India. Still the unorganized workers are not having a decent living unless there is permanent improvement in the standard of living of unorganized workers. The unorganized sector social security act was passed in 2008, in the light of the recommendation of NCEUS, has not so far made any possible impact on the wellbeing of unorganized workers. This act has been criticized on several grounds such as for not defining a minimum social security floor that is

enforceable by law and for not providing institutional power to ensure effective implementation. Even the national security scheme for unorganized workers which came into existence in 2009, is limited to an advisory role and doesn't have sufficient power to implement, monitor or enforce social security. It is clear that successive governments have not seriously pursued guaranteeing social security benefits to unorganized workers.

Table 2

Social Security Benefits in Formal and Informal sector in India and Kerala – 2011-12

Social security benefits	India		Kerala	
	Informal Sector	Formal sector	Informal sector	Formal sector
Eligible for only PF/Pension	1.0	10.9	0.6	4.8
Only gratuity	0.5	0.7	0.4	0.6
Only health care and maternity benefits	0.3	1.4	0.2	1.7
Only PF/Pension and gratuity	0.2	2.6	0.3	2.3
PF/Pension, health care and maternity benefits	0.2	2.5	0.1	2.5
Gratuity and health care & maternity benefits	0.1	1.5	0.1	2.0
PF/Pension, Gratuity, Health Care & Maternity benefits	1.0	33.3	0.7	34.9
Not eligible for any of above social security benefits	92.9	44.0	96.0	49.0
Not known	3.8	3.1	1.6	2.2
Total				

Source : NSSO 68th Round(2011-2012) Unit Record Data,() denote percentages

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