

Social protection of informal workers: “ensuring basic income security to construction workers”

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The Indian labour market predominantly comprises informal workers with more than 90 percent as self-employed or casual workers. As per the latest outcome of labour force survey on employment and unemployment by National Sample Survey Office (NSSO) during 2011-12¹, the number of estimated employed persons was 47.41 crore, of which 82.7 percent of workforce (39.14 crore persons) was in unorganized sector. Most of the households in this category of the workforce fall under the ‘Below-Poverty-Line’ (BPL) category or similar conditions, and often face vagaries of poverty alongwith the shocks like job loss, urgent healthcare need, etc. In absence of minimum social security guarantees, majority of these workers use personal savings to mitigate these shocks. In the face of such prominence of poverty and shocks, a guaranteed social protection provision, including basic income security to these workers, can be a radical step in reducing the poverty and adverse effects of the shocks.

The announcements of the current national Government on extending social security to informal workers in the country, especially under the umbrella of Universal Basic Income (UBI), has been undoubtedly a bold pronouncement, bringing array of hope in tackling the challenges of poverty and inclusive growth. UBI has been broadly understood as a form of social security guaranteed to people, and directly transferring the benefits to their bank accounts. This is also in line with the measures enumerated in international instrument on Social Protection, viz., Social Security Convention, 1952 and Social Protection Floor, 2012 (ILO). However, the notion of UBI, heavily discussed last year in the Economic Survey (2016-17), unfortunately, has been dropped in the current Economic Survey (2017-18). It appears that the Government is yet to firm up an understanding on the essential elements (like cash and kind, etc.), and entitlements (rich vs. poor, etc.), as well as the financial implication and the processes under the UBI; this perhaps explains the exclusion of the topic from the current Economic Survey.

Beyond doubt, a meaningful dialogue process must be initiated at the earliest to include the views of the stakeholders in deciding the nature and essential elements of the UBI, but a ‘vulnerability assessment’ process must be carried out simultaneously to identify the most vulnerable groups, especially within the informal working community, to ensure appropriate social security provisions tackling poverty, shock and exclusion.

Though the Government of India is currently implementing a large number of welfare programmes, there is still a gap in ensuring basic social protection for all the people, especially vulnerable informal workers. A major hurdle in achieving the objectives of these welfare programmes has been the effective implementation, including the targeting of social programmes with inclusion and exclusion errors.

¹ NSS 68th Round, (2011-12), Ministry of Statistics & Programme Implementation, 2014

An appropriate case to demonstrate this, is the social security provisions of the construction workers, who constitute a major chunk of the informal workers, the second largest after the segment of agricultural workers. For this segment of workers, there is already a provision of legal entitlements on social security, through the Building and Other Construction Workers Welfare (BOCW) Board, under the BOCW Welfare Cess Act, 1996. The Boards are required to identify and enroll the construction workers, and provide financial assistance and disbursement of need-based social security provisions to the workers as per the appropriate section of the Act.

As per the latest data² of 2016, about 2.54 crore construction workers are registered with the State Welfare Boards under the BOWC Act, almost doubled from the year 2015 to 2016, nevertheless, the cess utilization is so dismal that nearly 77 percent of the welfare fund is remaining unspent with the state governments/union territory administrations³. While analysing the income and expenditure status of the BOCWWBs in the states, we observe significant gap in spending in Maharashtra, Karnataka, Uttar Pradesh, Haryana, and Delhi. Kerala shows an exceptional higher spending than collection (108 percent), followed by Chhattisgarh (56.4 percent), Mizoram (55 percent), Puducherry (54.7 percent) and Madhya Pradesh (48 percent). Along with this, most of the states suffer from inadequately defining and arranging minimum social security guaranteed provisions as enumerated in different national as well as international instruments. This clearly reflects the weak implementing mechanism of the standard social security provisions in a majority of states.

Under such circumstances, it becomes essential for the national as well state governments to start the consultative process on priority, to decide the minimum social security guarantees to the construction workers to enable the latter to receive the entitlements out of the cess collected for their welfare. Through this process, the methodology of ensuring Basic Income Guarantee to the construction workers, especially to cope up with the unemployment period and contingencies (marriage, sickness, accident, etc.), can be agreed upon since there is sufficient fund available with the state governments. However, initiating the conclusive dialogue in a prescribed timeframe on what constitutes 'basic income' and the 'transfer and/or access mechanism' to enable entitlements and expansion of coverage of social security to the construction workers, would depend on the commitment and political will of the government.

² Lok Sabha Unstarred Question No. 480, dated on 06.02.2017.

³ Lok Sabha Unstarred Question No. 148, dated on 17.07.2017.