

ASIA PACIFIC REGIONAL HIGH-LEVEL MEETING ON SOCIAL – INCLUSIVE STRATEGIES TO EXTEND SOCIAL SECURITY COVERAGE

19 – 20TH MAY, 2008 AT VIGYAN BHAVAN, NEW DELHI

INAUGURAL ADDRESS

BY

MINISTER OF STATE (IC) FOR LABOUR & EMPLOYMENT

It is a great honour for me to be a part of this august gathering at the opening Session of this prestigious regional meeting on a very significant and humane issue being organized jointly by Government of India and the International Labour Organisation (ILO). India and ILO have been working in close cooperation for such a long time that it gives the feeling of one big family working for a noble cause of uplifting the poor and common man. There are parallels between the objectives of ILO and our national policies both in broad directions, objectives, priorities and the strategies to achieve them. This is one more step in this direction. We have always believed working in close cooperation globally in general and with the countries in the neighbourhood region in particular. It is very satisfying to note that the first session of the Asian Regional Conference was held here at New Delhi in the year 1947 and now, when we just celebrated our 60th year of independence, we have this Regional Meeting.

India has always had a joint family system that took care of the social security needs of all the members. In keeping with its cultural traditions, family members and relatives have always discharged a sense of shared responsibility towards one another. To the extent that the family has resources to draw upon, this is often the best relief for the special needs and care required by the aged and those in poor health. However, with increasing migration, urbanization and demographic changes there has been a decrease in large family units. This is where the formal system of social security gains importance.

Mahatma Gandhi, the father of our Nation, had deep concern for the welfare of workers. He said I quote "***What belongs to me is the right to an honourable livelihood, no better than that enjoyed by million of others. The rest of my wealth belongs to the community and must be used for the welfare of society***" unquote.

The issues before the seminar are therefore, very significant both for developed as well as emerging economies in the face of challenges and opportunities in the present era of globalization. With the opening of the economies due to recent upsurge in technological developments, there has been a noticeable trend of more and more people in less secured employment such as the self employed, casual and home workers, the building & construction workers and workers engaged in outsourced jobs. In order to sustain growth, it is necessary to ensure that the fruits of development reach all sections of the society. According to ILO, only 20 per cent of the world's population has adequate social security coverage, with less than 10 per cent of workers in the least-developed countries covered by social security. In the wake of these developments, social security has assumed added significance and countries around the world are realizing the importance of putting in place social safety nets to ensure that fruits of development reach the most vulnerable sections of the society. As a result of process of economic liberalization initiated in India over last two decades and the consequent globalization of the economy, the pace of economic growth in the country has been phenomenal. The real GDP growth has averaged 8.6 per cent over the last three years.

As per a survey carried out by the National Sample Survey Organization in the year 2004-05, the total workforce in both formal and informal sectors in the country was 459 million. Of this about 26 million were in the formal sector and the balance 433 million in the informal sector. According to the Economic Survey 2007-08, the total workforce in the organized sector was 26.46 million in 2004-05 of which 18 million were in the Public Sector and the remaining 8.46 million in the Private Sector.

Social Security for Govt. and Public Sector employees in the form of medical care and old-age benefits is provided by the Government from tax revenue and contribution from employees. The second category i.e. employees of factories and establishments are provided comprehensive social security benefits

by social insurance scheme i.e. ESI Scheme and old-age benefits through Employees' Provident Fund Scheme. The third category which comprises of mines, plantations, beedi workers, cine workers, etc. have either separate social security legislations – Plantation Labour Act, Coal Mines Provident Fund, or are covered under welfare fund schemes run by the Government of India and the State Governments such as Beedi and Cine workers etc., which are funded through cess on the product.

Keeping in view the vast size and spread of the workforce in the informal sector, a mix of various strategies such as extending the scope of existing social security schemes, welfare funds as well as social assistance schemes with the help of NGOs, Unions and Associations as well as by making possible use of local administrative structures such as Panchayati Raj Institutions and District Level administration, are being worked out for providing basic social security benefits to them. Our Government is committed to providing social security and social protection to all workers in the informal sector as well. A conscious attempt has been made by our Government through "The National Rural Employment Guarantee Scheme" which provides for at least 100 days of employment guarantee in a year to unemployed rural workers.

We have recently introduced a legislation in the Parliament with a view to providing social security to the workers in the unorganized sector. We have also announced three schemes for providing such security. The 'Aam Aadmi Bima Yojna' (Common Man Insurance Scheme) provides for life and disability cover to all the rural landless households in the country. Around 15 million families are likely to be benefitted under the scheme. Under the National Old Age Pension Scheme, around 16 million persons Below Poverty Line and above the age of 65 shall be provided pension. A national Policy on Older Persons has been formulated by Government of India which visualizes support for financial security, health care, nutrition and shelter for senior citizens.

We have also taken up an ambitious project under the Rashtriya Swasthya Bima Yojna (National Health Insurance Scheme) wherein health cover will be provided to all the Below Poverty Line workers in the unorganized sector during the next five years. Around 300 million persons will get the benefit. Reaching out to such huge numbers in far flung areas is a stupendous task. Evolving communication modules and delivering them on such a scale will test the capacity and capabilities of the Insurance Companies whose task is to sell this product which will also be our commitment for the cause. A detailed presentation on this very significant step in the direction of providing much needed relief to the so far neglected section of the workers in the unorganized sector will be made in one of the Sessions of this meeting.

To remove inequalities in income, Government has enacted the Minimum Wages Act, 1948 which provides for reasonable minimum wages to workers in a large numbers of sectors. The Equal Remuneration Act, 1976 ensures equal payment to both men and women for performing similar nature of work. The Government is implementing Welfare Schemes like the Swarna Jayanti Gram Swarajgar Yojana (Golden Jubilee Village Self Employment Scheme) and Sampoorna Grameen Rozgar Yojna (National Rural Employment Scheme). These schemes help to provide income generating assets through a mix of bank credit and Government subsidy and generate additional wage employment in rural areas. Under the Urban Self Employment Programme (USEP) people living below the poverty line in urban areas are assisted to set up self and group employment ventures.

Government of India is making available food grains at highly subsidized rates to beneficiaries living below the poverty line (BPL) and those coming under the category of poorest of the poor (Antyodaya Anna Yojana) under the Targeted Public Distribution System (TPDS). This helps to meet the requirements of food security of the economically vulnerable sections of society. The need for encouraging redistribution by having an effective social security system is well recognized. We also agree that in the long run investment in social security can reduce poverty and inequalities and is compatible with high economic growth.

Though a lot has been done in the area of providing social security and social protection to our workmen, much more is yet to be done. I hope that this forum will provide a golden opportunity to all of us who are concerned about the welfare of our workforce to deliberate upon the ways and means to achieve our objective of providing social security net to each and every worker at large. I conclude with great hope on the fruitful outcome of this meeting and wish it all the best.

Thank you JAI HIND