CHAPTER I

Introduction

1.1 The National Commission on Rural Labour, by its Order No. X.11012 (6) 89/NCRL (Desk) dated 1-6-1989, set up a Study Group on Economic and Social Security. A copy of the Terms of Reference of the Study Group are at Appendix I.

1.2.1 Shri L. S. Ramanathan, Assistant Secretary, Industrial Relations, in the Delhi Zonal Office of Life Insurance Corporation of India was nominated by LIC as its representative on the Study Group; he was subsequently replaced by Shri R. Ramakrishnan, Chief Actuary, LIC Bombay as the nominee of the LIC.

1.2.2 Dr. P. S. Shanmukham, General Manager, General Insurance Corporation of India, Bombay was nominated by the GIC as its nominee of the Study Group.

1.2.3 In place of Dr. R. P. Sinha, Adviser, Economics, Statistics, Ministry of Agriculture, Dr. S. K. Ghorai, Deputy Advisor, attended the meetings of the Study Group.

1.2.4 Shrimati Devaki Jain could not attend any of the meetings of the Study Group.

1.3 To ensure coordination between the work of the Study Group and that of the National Commission, Shri R. Tandekar, Deputy Secretary to the Commission was designated by the Commission as its liaison Officer with the Study Group.

1.4 Dr. P.C. Joshi, a Member of the Commission, Shri Asvathanarayan, Member Secretary of the Commission, Shri N.L. Meena, O.S.D. in the Commission attended several meetings of the Study Group on invitation and gave it the benefit of their vast knowledge and experience.

1.5 The Study Group held in all six meetings including the last meeting at which it approved the Report. All the meetings were held in New Delsi in the Office of the National Commission.

1.6.1 At the request of the Study Group, the National Commission wrote to all the State Governments/Union Territory Administrations/ Ministries and Departments of Government of India requesting them to furnish information on the various social security and social welfare schemes they are implementing for the benefit of the rural poor. Information was received from a few states.

1.6.2 The National Commission had prepared a questionnaire and had circulated it widely to various interests for reply, the questionnaire included one section on Social Security. At the request of the Study Group, the Commission made available to it the replies received from various sources in respect of Social Security.

1.6.3 In addition to the above, the members of the Study Group, particularly those representing various Ministries and the LIC and GIC, were requested to provide the Study Group with all relevant information that they could obtain. The Study Group was benefited by a large volume of information so obtained.

1.6.4 As the Study Group was required, in terms of the Order setting it up, to submit its report by March, 1990, it was decided that no questionnaire would be prepared and that no tours would be undertaken by it to study the problems at the ground level; it wsa also decided that time was too short to undertake or commission studies on any aspect of the matters contained in its Terms of Reference. The Study Group felt that the Chairman of the Study Group may visit the States—particularly Kerala and Gujarat, whose experience in formulating and implementing a wide variety of social security and welfare schemes for the benefit of the rural poor has been commendable—to study the situation on ground; however, for a variety of reasons, such visits could also not be undertaken.

1.6.5 The Study Group felt that it would be advantageous if experienced and dedicated social workers could be invited to the meetings of the Study Group to share their knowledge and experience with the members who could seek clarifications and additional information from them. Accordingly, invitations were sent to a limited number of such persons; Shri V. Padmanabhan of Ghandhi Grom Trust, Ambaturai, Tamil Nadu, Shri N. Krishnaswamy of Central Relief Organisation, New Delhi, Shri Prem Bhai of the Vanvasi Seva Ashram, District Sonbhadra, Uttar Pradesh and Shri Ram Desai of the Mumbai Kamgar Sabha, Bombay could attend one or other of the meetings of the Study Group.

1.6.6 Shri R. K A. Subrahmanya, a former Additional Secretary of the Ministry of Labour and a recognised authority on Social Security participated in the last few meetings of the Study Group and gave very valuable advice to the Group.

1.7.1 A useful innovation, devised by the Commission, was the periodic meetings that the Commission held with the Chairmen of the several Study Groups set up by it. Two such meetings have been held so far, in June and November, 1989.

1.7.2 One of the important issues that came up in the June 1989 meeting was the one relating to the concept and definition of terms like 'Rural Labour', 'Rural Labour Household'. The meeting was informed that the Commission itself had not come to any decision on this, that one of the members of the Commission is examining the question and is likely to submit his Report on this early and that, pending a decision on this by the Commission, each Study Group may adopt a definition as would be most appropriate to its task. More about it later, in Chapter IV.

1.8 Though the Study Group was required to complete its work by March, 1990, it was found necessary to exceed this time limit by almost four months. The Study Group was also able to get sanction in March 1990 for a Research Associate to help the Study Group in its work including the drafting of the Report.

1.9 The Report is in twelve chapters and also has—Appendices. Chapter II gives a brief account of Social Security Schemes operating now in India. Chapter III reviews the existing schemes and programes, besides briefly reviewing the status of the rural workers in terms of minimum needs like health, drinking water, education and the like. Chapter IV gives in broad terms the approach of the Study Group towards various matters covered by its Terms of Reference. Chapters V to VIII deal with specific pogrammes and schemes proposed by the Study Group on Old Age Pension, Maternity Benefits, Disability Benefits and Health Care and Sickness Benefits. Chapter IX is an omnibus chapter containing brief recommendations and suggestions of the Study Group on a wide variety of subjects. In Chapter X, an attempt is made to work out the tentative financial implications of the Study Group's proposals and, hopefully, suggested means of raising the resources needed for them. Chapter XI spells out the administrative arrangements and delivery systems recommended by the Study Group.

1.10 In making our Recommendations, *we have not adhered to any time frame* We are aware that what we are recommending is only a first step in the task of providing social security to all the people of our country in as complete and integrated a manner as is possible, thus making the Directive Principles in Article 14 of our Constitution a reality.

CHAPTER II

Background

2.1 Whatever be the position today, India has had a long tradition of social security and social assistance—directed particularly towards the more vulnerable sections of society. *Refreshingly modern concepts of social security and social assistance were known and practiced in ancient India.* The writings of Manu, Shukracharya, Kautilya and Yajnavalkya are replete with references to payment of a part of the wages to a workman to compensate for loss of wages due to illness, old age pension, gratuity, care of the physically handicapped, employment of widows and unmarried women, etc.

2.2 The general welfare of the people was always considered in India to be the particular responsibility of the king—Yogakshemam Vahamyaham. The institution of self-sufficient village communities, coupled with the system of joint families on the one hand and the widely prevalent practice of making endowments for religious and charitable purposes provided considerable measure of social security and social assistancne to the poor and needy in rural areas. Caste based organisations also played their part in providing the needed support to the weaker sections of the concerned castes.

2.3 *In the wake of industrialisation and modernisation*, characterised, among others, by increasing urbanisation, *these institutions suffered a steady and inevitable erosion.* The State, as it existed before Independence, was not unduly concerned about these matters, resulting in increasing hardsdhips to the disadvantaged and vulnerable sections of the population particularly in rural areas. *Even after Independence, the State has generally been more concerned with the problems of the industrial work force,* despite their constituting only 10 per cent of the total work force. *Till very recently, the rural poor including the rural work force suffered by benign neglect.*

2.4 Conceptually, *social security* recognises the *responsibility of the society to relieve economic distress faced by individual members* of the society *on account of contingencies beyond their control.* The social security system comprises appropriate interventions by the State, for coping with such contingencies, thus reflecting its social responsibilities.

2.5 *The contingencies*, relief of which is the concern of social security, *can arise out of, purely economic reasons* (e.g. unemployment) or by *biological circumstances* affecting earning-power (e.g. sickness, disability, old age, or the death of a bread-winner).

2.6 Social security systems have come into operation through a process of extension and generalisation particularly since the 1960s. A significant number of industrialised countries, whcih were originally committed to an occupation—linked concept of social security, now offer medical insurance, pensions and family benefits to most if not all of their population.

2.7 *Table* 1 gives the level of social security expenditures as a percentage of GDP for selected countries in the late 1970s. It will be seen that in OECD as well in the Centrally Planned Economics (CPE) the proportion ranges from 10 to 30 per cent. It is also relatively high (5 to 10 per cent) in major Latin American countries such as Argentina, Brazil and Chile. The proportion for India is 2.4 per cent.

2.8 *Social security is financed by three main sources*: social insurance, employers liability and social assistance. The pattern of financing in 1977 in the OECD and CPE countries is given in *Table* 2. It will show that in both sets of countries, and particularly in the latter, the State plays a substantial role.

Table 1 : Social Security Expenditures in Selected Countries

OECD	As per cent of GDP	Year
1. Sweden	30·7	1979
2. Netherlands	29·2	1979
3. France	26·0	1979
4. Belgium	25·9	1979
5. Denmark	25·3	1979
6. Federal Republic of Germany	23·9	1979
7. Itlay	22·8	1977
8. Austria	21·1	1977
9. United Kingdom	18·0	1979-80
10. Switzerland	16·0	1979
11. Canada	15·2	1979-80
12. Australia	14·1	1976-77
13. United States	13·2	1978-79
14. Japan	11·2	1979 80

Table 1 : Social Security Expenditure in Selected Countries—Contd.

OECD	As per cent of GDP	Year
15. Czechoslovakia	18·7	1979
16. Hungary	16·5	1979
17. German Democratic Republic	16·2	1977
18. Poland	13·6	1979
19. USSR	13·4	1977
Other Countries		
20. Israel	13·4	1976-77
21. Chile	10·1	1977
22. Argentina	7·3	1977
23. Brazil	6·2	1977
24. Mauritius	5·9	1976-77
25. Singapore	4 9	1979
26. Zambia	4·6	1976-77
27. India	2 4	1975-76

Source: ILO : World Labour Report 1984

Table 2 : Financing of Social Security 1977

(Per cent)

Source	OECD	CPE
1. Insured persons	23·3	7·9
2. Employers	40·8	44·5
3. Public Authorities	30·4	45·9
4. Income from capital	4·2	—
5. Other receipts	1·3	1·7

Source: Methods of Financing Social Security. International Social Security Association Geneva, 1979.

2.9 *Appendix II* contains in Table I and Table II respectively particulars of receipts and expenditures on social securities schemes as percentage of total gross domestic demand and average annual social security receipts and expenditures per head of population for certain selected countries for the years 1981, 1982 and 1983. (Source—The cost of social security—ILO —1988).

2.10 When the Constitution for Independent India was drafted, *social security* was specifically included in List III to Schedule VII of the Constitution and thus made *the concurrent resposibility of the Central and State Governments.* Entry 23 of List III is "social security and social insurance; employment and unemployment" while Entry 24 refers to "welfare of labour including conditions of work, provident funds, liability for workman's compensation, invalidity and old age pensions and maternity benefits".

2.11 A number of *Directive Principles of State Policy relating to aspects of social security were also incorporated in the Constitution.* These are to be found in Articles 38(1), 39(e), 41, 42 and 43. Article 41 is specifically relevant.

2.12 Even in respect of the organised work force, steps taken in India for their social security and welfare were, in the earlier days, few and far between. The earliest of the legislative provisions is the (Indian) *Fatal Accidents Act*, 1855, enacted a century and half back to provide *compensation to families for loss occasioned by the death of a person caused by actionable wrong* Till then, no action or suit was maintainable in any court against the person who, by his wrongful act, neglect or default, may have caused the death of another person. This Act contains the substantive law as to compensation modifying the Common Law.

2.13.1 *The Workmen's Compensation Act,* 1923, is the next enactment, and the *first in the genre of social security legislations in India;* this law provides for payment by certain classes of employers to their workmen of compensation for injury by accident. Unlike the Fatal Accidents Act which is not restricted to employer—employee related cases, the Workmen's Compensation Act is concerned only with injuries arising out of or in the course of employment. This Act provides for a scale of compensation to employment injuries (including death as also occupational diseases) and also for "cheaper and quicker disposal of disputes relating to compensation through special tribunals than possible under the civil law". It is relevant to point out that the law *applies also to certain categories of persons* (other than a person whose employment is of a casual nature and who is employed otherwise than for purposes of the employer's trade or business), *employed in the unorganised sector*—as for example, in the tapping of palm trees or the felling or logging of trees (item xxiii of schedule II), in farming by tractors or other contrivance driven by steam or other mechanical power or by electricity (item xxix), in the contruction, working, repair or maintenance of tube well (item xxvi), in the construction, maintenance, repair or demolition of any building or dam subject to certain stipulations, road etc. (item viii), etc.; *however, this leaves out* from purview of the Act at *very large percentage of workers in the rural areas* in the unorganised sector.

2.13.2 *We are of the view that the applicability of the W.C. Act* where the liability to pay compensation is entirely on the employer concerned, *must be so amended as to cover all persons employed irrespective of the nature* *of occupation and duration of work, and all existing restrictions regarding size of employment and other factors must be removed.* This may not give relief to a very large percentage of the unorganised workers in the rural areas, including the self employed; but, yet the need for as extensive a coverage as is legally possible should be recognised.

2.13.3. We have quickly gone through the proposals *circulated recently by the Ministry of Labour for the amendment of the Act* in the light of the Reports of the Law Commission of India (1974 and 1990) as well as suggestions from State Governments and others. We are happy to note that these proposals also contain the suggestions to expand the scope of the definition of the term "workmen". We also *endorse* the other proposals contained in the letter of the Ministry of Law, *particularly* those *relating to compulsory insurance and cost of medical treatment being met by the employer.*

2.14. Reference may be made to a recent enactment, namely, *The Dangerous Machines (Regulation) Act,* 1983, which provides for "the regulation of trade and commerce in production, supply, distribution and use of, the product of any industry producing dangerous machines *with a view to serving the welfare of labour operating any such machine and for payment of compensation for the death or bodily injury suffered by any labourer* while operating any such machine...." (emphasis added). The compensation payable will be in accordance with the provisions of the Workmen's Compensation Act, 1923. With the increasing use of machinery in rural areas, not merely in agriculture but in other occupations, the law, if properly enforced would at least enable a large number of rural workers to obtain compensation.

2.15. An important dimension relating to social security, well recognised throughout the world, is the provision of maternity benefits to women workers. *The Maternity Benefit Act,* 1961 seeks to regulate the employment of women in certain establishments for certain periods before and after child birth and to provide for maternity benifits. However, the law despite the recent amendment which, among others, extends the coverage under the law, *does not apply to most sections of the rural unorganised labour.*

2.16. *The Employees' State Insurance Act* 1948 *is perhaps the first comprehensive attempt to provide both medical care and sickness benefits* to the workers who are covered under the ESI scheme. The ESI corporation also takes all the responsibilities in respect of the Workmen's Compensation Act, 1923 and the Maternity Benefit Act, 1961 for all the workers covered by the ESI scheme. The *ESI scheme covers over 7 million workers* as insured persons: *in all about* 28 *million persons including members of the families of the insured person are entitled to medical care under the scheme.* The scheme is financed by contributions from the employers and the workers.

2.17.1. *The Employees Provident Fund and Miscellaneous Provisions Act,* 1952 provides for compulsory provident fund for employees in specified industries. The scheme now *covers over* 14 *million workers.* In addition to *provident fund,* the Act also provides for payment of *family pension* and *benefits under Deposit Linked Insurance Scheme.* The Provident Fund *Scheme is financed out of contributions made by the workers and their employers* in equal proportion (as a percentage 8.3 per cent or 10 per cent of the wage); the Family Pension Scheme is financed by diversion of 1 1/6 per cent of wages from the share of the employer and worker towards the provident fund; an equal amount is also contributed by the Central Government.

2.17.2. *The Coal Mines Provident Fund and Micellaneous Provisions Act,* 1948 makes provisions for provident fund, family pension, deposit linked insurance and bonus to coal miners, both in the public and private sectors.

2.17.3. *The Assam Tea Plantations Provident Fund Scheme Act,* 1955 makes provisions for payment of provident fund to workers employed in tea plantations in Assam and for payment of family pension.

2.17.4. *The Seamen's Provident Fund Act,* 1966, likewise provides for payment of provident fund to seafarers.

2.18. *The Payment of Gratuity Act,* 1972 is yet another social security scheme, providing for a scheme for the payment to employees engaged in factories, mines, oilfields, plantations ports, railway companies and shops and other establishments employing ten or more persons. This is an *employer's liability measure* and provides for payment of a lumpsum benefit, subject to a ceiling, to an employee on termination of his employment after he has put in a period of five years of continuous service; the gratuity is calculated at the rate of 15 days of wages for every year of completed service.

2.19.1. In addition to the above. *The Industrial Disputes Act,* 1947 contains provisions for *payment of compensation* in the nature of unemployment benefit calculated at 50 per cent of the wages to all workers in factories, mines and plantations employing 50 or more persons each, *if they are laid off* by the employer for reasons beyond his control such as failure of power, lack of raw materials, accumulation of stocks, natural calamities, etc.

2.19.2. *The Industrial Disputes Act*, 1947 also provides for payment of *compensation* to an employee who has put in more than one year of continuous service *if his services are terminated for any reason other than those specified* in the law. The compensation includes one month of notice pay plus compensation at the rate of 15 days wages for every year of completed service.

2.19.3. *The Industrial Disputes Act* also provides for payment of *compensation*, calculated at the same rates as for retrenchment with some ceiling limits in certain circumstances, *to workers of establishments which close down* their business. Both *retrenchment and closure compensations* are *lumpsum payments* designed *to give some staying power to the affected workmen who have lost their jobs.*

2.20.1. Besides the *above* which can be decribed as *conventional schemes* of *social security*, there are *regular welfare schemes* for employees in specified industries, *funded through Statutory Welfare Funds*. The Funds are built out of a cess levied on the product. *Such Funds* have been set up *in respect of workers in Beedi, Limestone and Dolomite, Mica, Iron Ore, Chrome Ore and Manganese Ore and Cinema industries. Separate Acts* have been centrally *enacted* for the purpose. In respect of coal, the earlier system of levy imposed under the Coal Mines Labour Welfare Fund Act, 1948 has been on the nationalisation of the coal mines, replaced by the Coal India Limited meeting the entre expenditure on welfare. The main items of expenditure in these Funds relate to medical care including hospitalisation, housing education, water supply and other welfare and recreational activities: maternity benefits are also provided under the Beedi Welfare Fund.

2.20.2. Several *State Governments* also have, again for the organised sector mainly, set up *statutory Labour Welfare Funds* built up out of contribution from workers and employers at prescribed rates per worker with a matching contribution from the State Government. Relatively, these funds are small compared to the Welfare Funds referred to in para 2.20.1; these are mainly utilised for educational and recreational facilities, training the members of the workers families in skills as would enable them to earn a supplementary income etc.

2.21. As far as *government employees* are concerned, both of the Central Government and the State Governments, and in several cases those of the local bodies also, the service rules provide for medical care, pensionary benefits gratuity, etc. on par with, if not better than those available to the employees in the public and private sectors.

2.22. The *different kinds of social security and welfare benefits*, briefly described in the above paragraphs are *generally available only to* what can be called *the organised sector* of the workforce, which will include (i) employees of the Central and State Governments, local bodies, (ii) public sector establishments under both the Centre and the States including mines, railways, ports and docks, air corporations, banks insurance, electricity boards, road transport undertaking, manufacturing units, trading concerns, service industries, etc. and (iii) employees in private sector establishments in diverse fields, like cotton textiles, sugar, cement, engineering, construction, services and so on. Notwithstanding their diversity and economiac importance, these will not account for more than 10 per cent of the total workforce in the country. The vast majority of the workforce including *agricultural labour, construction labour, labour in leather, handloom, fishing, forestry, salt making, household industry, etc. as also village artisans are wholly out of any reckoning in the various statutes* referred to in the paragraphs above.

2.23. The Inetrnational Labour Organisation adopted in 1952 the *Social Security (Minimum Standards) Convention* 1952; this Convention which has been drafted keeping in view the capacity of the developing countries to ratify it, lists out social security under the following heads:

1. Medical Care;
2. Sickness Benefit;
3. Employment Benefit;
4. Old Age Benefit;
5. Employment Injury Benefit;
6. Family Benefit;
7. Maternity Benefit;
8. Invalidity Benefit;
9. Survivors Benefit.

The Convention stipulates that any country which ratifies the Convention must comply with at least three of the above nine, of which at least one must be from the heads 3,4,5,8 and 9 above. Under each head, the persons protected shall comprise:

(a) the prescribed class of employees, constituting not less than 50 per cent of all employees, and also their wives and children; or

(b) prescribed classes of economically active population, constituting not less than 20 per cent of all residents, and also their wives and children; or

(c) prescribed classes of residents, constituting not less than 50 per cent of all residents.

The Convention further enables the ratifying country to make a declaration and thus obtain a temporary exemption even from the above conditions; this exemption permits coverage of prescribed classes of employees constituting not less than 50 per cent of all employees in industrial workplaces employing 20 persons or more, and also their wives and children.

The point in making a fairly extended reference to these provisions is to *highlight the fact that not withstanding all the laws and schemes of social security in respect of the organised sector* detailed in paragraphs 2.4 to 2.12 above, *we have not been able to ratify Convention No.* 102 *despite the relaxations permitted by it. This brings out forcefully the enormous leeway that will have to be made in respect of rural labour in our country in the area of social security.*

2.24. It is not as though nothing has been done or is being done in the matter of *providing some form of social security or welfare to the rural labour* in our country *Beginning have been made in several states and also by the central government,* and the succeeding chapter gives a bird's eye view of these schemes and programmes.

2.25. It may be relevant, while concluding this chapter, to point out the following.

The existing schems of social security, particularly in the organised sector as detailed above, *are basically income maintenance schemes,* as distinguished from income suppoıt schemes. In developing countries, more so *in India, there is greater need,* particularly in terms of the numbers involved, *for income support schemes. Unless a person has an employment and/or a source of income, the question of manitenance of his income does not arise.*

There are certain *schemes like Crop Insurance, Cattle Insurance* and the like which protect the insured persons against loss of assets and/or income due to causes such as failure of crops, death of animals etc. Such schemes *could appropriately* in the context of the Study Group's work be *termed economic security schemes.*

CHAPTER III

Review of Existing Schemes and Programmes

3.1. According to the ILO Convention No. 102 on Minimum Standards of Social Security, the measures involved include medical care and benefits for sickness, unemployment, old age, employment injury, maternity and survival benefits. The Government of India has already taken some steps on these lines. However, the social security coverage had been mainly limited to the organised sector.

3.2. In the recent years, however, there has been a growing concern about the role of social security in the unorganised sector. Attempts have already been made in this direction and to expand its role to cover various groups of workers in the unorganised sector. The statistical data indicate that about one third of the people live below the poverty line having no income security to meet their minimum needs. Moreover, a vast majority of labour force in India, i.e., about 90 per cent is found to be in the unorganised sector, who are mainly in irregular employment and earning very low wages.

3.3. Among the unorganised workers, majority are engaged in agricultural sector and within agriculture more than one-third are agricultural labourers. These agricultural workers are, engaged mainly in crop production, animal husbandry etc. Other rural workers' engaged in village and cottage industries are those who may fall under the category of rural artisans. The other category of workers include those engaged in construction, beedi-rolling, wood-cutting, stone quarrying, loading and unloading activities and so on. There are, yet other distressed categories of workers, such as domestic servants, midwives, washermen, barbers, potters, basket makers etc.

3.4. *The problems of rural unorganised labourers* can be classified into two; (a) *economic* and (b) *social problems.* The economic problem is mainly due to inadequate employment opportunities, low income, and low degree of diversification of economic activities in rural areas. The social problem, on the other hand, arises from the low status of the unorganised labour. These workers, being unorganised, have poor bargaining power so far as their employment is concerned. The nature of employment they could get is mostly seasonal and that is the reason why these labourers often migrate to other areas in search of livelihood. They are also forced to borrow from time to time either for consumption purposes or to meet social obligations. The *task* should, therefore, be *to provide employment* for these labourers *throughout the year and to ensure a minimum wage.*

3.5 The unorganised labourers are engaged either in wage employment or self employment. They are only able to earn a very low income and are having no guarantee of employment. *Because of their irregular employment, these workers are not able to claim social security.* In such a situation, the better social security that could be offered may be the security of employment for them. The other measures could be to ensure minimum relief to these workers in the event of old age, sickness, employment injury, maternity, invalidity and death. A synoptic view of various social security schemes and programmes being carried out on these lines by the centre, various state governments and other agencies may be had from the statement in *Appendix III.*

3.6 All the states and union territory Administrations have Old Age Pension Schemes. In some states special pension schemes for agricultural workers have been in operation. Some state governments have pension schemes for destitutes and physically handicapped. Few states have introduced employment guarantee scheme or unemployment relief scheme. The maternity benefit scheme for landless agricultural women labourers has been introduced in certain states. In addition to the above, there are several welfare schemes introduced by various state governments.

3.7 A Group Insurance Scheme for landless agricultural labourers has been introduced by the central government in the year 1988. Another scheme for life insurance for IRDP beneficiaries came into force in 1988. LIC has constituted a Social Security Fund for certain unorganised categories. The Personal Accident Insurance Social Security Scheme for poor families has been extended to all districts in the country in August 1988 These insurance schemes are financed by the Government of India. In addition, the General Insurance Corporation has introduced insurance schemes for cattle and livestock, agricultural pumpsets failed wells, fire insurance cover for huts and belongings of landless labourers, small farmers, artisans and other poor people in rural areas.

3.8 All states and union territories have old age pension schemes. Through these schemes, a pension usually varying from Rs. 30/- to Rs. 100/- per month is given to destitute old persons of and above 60 to 65 years of age and without any means of support. In most of the states, the pension is given to the destitute old. "Destitutes" have been generally defined as those without any source of income and who have no relatives to support them. Most schemes also exclude beggars from their scope.

3.9 Apart from old age pension (normal) scheme, the old age pension scheme for agricultural workers has been introduced in states like Andhra Pradesh, Gujarat, Kerala and Tamil Nadu. The pension amount varies from Rs. 30/- to Rs. 60/- p.m. and the eligibility criteria also vary from one state to another. The Tamil Nadu Government provides assistance both in cash and kind.

3.10 In some states, e.g. Gujarat, Karnataka and Kerala, maternity benefit scheme has been introduced for landless agricultural women workers which is a compensation against financial hardship due to absence from work during that period. However, the allowance is payable for the first and second issues only. The quantum of assistance, the duration and eligibility criteria are not the same in all the states.

3.11 In some states special pension schemes for the physically handicapped/disabled persons have been launched. Apart from the pension schemes, the personal accident insurance scheme for poor families operated by GIC also exists.

3.12 No special schemes exist as far as health care is concerned. Some voluntary agencies offer health services to the people in rural areas in states like Maharashtra and Tamil Nadu.

3.13 Unemployment and under-employment are two basic factors which affect the poorest strata of the rural people and are the major contributors to the high incidence of poverty in rural areas. Therefore, the main requirements of the agricultural labour would be naturally job opportunities to remove unemployment and under-employment.

3.14 Apart from the Plan schemes, there are certain other schemes for the unemployed people in many states. For example, Maharashtra Govt. has introduced the Employment Guarantee Scheme, which is in a way, a recognition of the principle of 'right to work' as enunciated in the Directive Principles of the Constitution of India. Apart from the wages which are paid both in cash and kind, the scheme provides death/disability assistance as well as maternity benefit (for women workers).

3.15 Unemployment relief financial assistance has been provided in many states although the eligibility criteria, the duration and the quantum of assistance differ in different states.

3.16 A number of welfare schemes/programmes have been taken up by various state governments for the benefit of various categories of population in the unorganised sector. Certain welfare schemes are exclusively meant for women and children. Few states, for example, Gujarat, Maharashtra and Tamil Nadu have established service homes for poor destitute women and children. A number of voluntary organisations are also associated in the programme.

3.17 Towards social security a wide variety of insurance schemes also exist which are operated by different agencies. These include both personal as well as group insurance schemes.

CHAPTER IV

Our Approach

4.1. It will be appropriate to begin with brief references to our Terms of Reference and to the definition of the term "Rural Labour".

4.2. The Study Group felt that in its Terms of Reference, too much emphasis appears to have been placed on insurance as the method of dealing with problems of social security. It took note of the fact that any insurance scheme implies contribution by the *beneficiaries* who, in the case of rural labour, may not be in a position to make even a token contribution and who *will have to be socially assisted by the state* through the budget. It also recognised that all the old age pension schemes now being implemented by the various state governments/union territory administrations are funded out of the budgets and not based on insurance. The Study Group also realised that the cost of administering an insurance scheme, involving collection and accounting of very small amounts of contribution from an extremely large number of persons will be prohibitive and the scheme may end up in a bureaucratic mess. In this context, the Study Group noted taht the entire premium cost of the Group Insurance Scheme for Landless Agricultural Labour, implemented by the LIC, is borne by the Government of India, obviating the need for collection and accounting. This experience also *underscored the need for decentralised operation of all such schemes.*

4.3. On the definition of the term 'Rural Labour', the Study Group examined the feasibility of defining the expressions 'rural labour', 'rural labour household' with reference to various parameters like extent of land, ownership of other assets, income levels, nature of activities, etc. However, it found that each one of these parameters or a combination of two or more of these raises many problems, with the result the Study Group ultimately decided that the definitions adopted by the Rural Labour Enquiry (reproduced in *Appendix IV*) would be the basis for its work, as these would cover the bulk, if not the whole, of the vulnerable sections of the population for whom economic and social security are required. The expressions would include artisans and service workers like forest workers, construction workers and the like in addition to the rural agricultural labour. All those already covered by protective and welfare labour legislations like the Factories' Act, 1948. Plantations Labour Act, 1951. The Employees' Provident Fund and Miscellaneous Labour Act, 1952, Employees' State Insurance Act, 1948. The Payment of Gratuity Act, 1972, and the like, will stand excluded even if they be working and living in rural areas.

4.4 The question arose whether the above will include also the self employed or will be restricted only to wage labour. The Table below gives the percentage distribution of all rural workers by employment and sex.

Sl. No.	Category	Male			Female		
		1972-73	1977-78	1983	1972-73	1977-78	1983
1.	Self Employment	65·90	62 77	60·40	64·38	62·10	62·21
2.	Regular salary/wage work	12 06	10·57	10·77	4·08	2·84	3·10
3.	Casual labour	22·04	26·66	28·83	31·44	35·06	34·69

Source: Sarvekshana, April 1986, as reproduced in Background paper prepared by NCRL for National Seminar (March, 1990).

The Study Group felt that it would be *unrealistic to exclude whole-sale the self employed categories,* bulk of whom may be only marginally less worse off than the agricultural labourer; in any event, if the criteria for eligibility to benefits under any scheme are linked to a means test, the distinctions between categories get totally blurred.

4.5. Without anticipating our recommendations, contained in the later chapters, on the schemes and programmes to be adopted, it is relevant to point out that the *nice distinctions between self employed and wage labour or between regular labour and casual labour lose all relevance when specific programmes are considered.* For example, in any scheme of old age pension, the past working history of the eligible persons is totally irrelevant; what is relevant is only his or her age as also his or her eligibility in terms of income limit. Likewise, when we take up the question of maternity benefit to the rural women workers, one cannot fail to take note of the fact that *all women in rural areas are workers, either in a formal sense or in the sense of doing unpaid household work which in several cases contributes substantially and in some cases wholly to the family income.* In this view, all women in rural areas, other than those who are above the prescribed income limits or have already had two living children, will be eligible to get the benefit of what we are proposing later. The situation will not be very different in respect of disability benefit or sickness benefit.

4.6. A similar conclusion emerges when we examine the problems in terms of several categories of rural workers. *The following broad categories of* *persons could be considered to fall within the scope of the Study Group's work*:

(a) agricultural labourers;

(b) small and marginal farmers who satisfy the definition of "agricultural labour household";

(c) construction workers including those engaged in stone quarrying, brick kilns, stone breaking and stone crushing etc.;

(d) *minimum health care and sickness benefit*: occupations, cattle rearing, poultry farming sericulture, etc.;

(e) village artisans;

(f) leather workers including those engaged in flaying, tanning of leather, processing of leather and making of leather goods;

(g) handloom weavers including hand spinners;

(h) carpet weavers;

(i) beedi rollers;

(j) persons engaged in village and cottage industries;

(k) salt workers, etc.

The above categories are not put down in the order of their numbers.

4.7. *Convention No.* 141, adopted by the ILO in 1975, and ratified by India, *defines rural workers as* persons engaged in agriculture or related occupations in rural areas whether wage earners or as self employed persons such as tenants, share croppers or small owner occupiers who dervie their main income from agriculture and allied occupations, who work on the land themselves with the help only of their family or with the help of occasional outside labour including self employed artisans but does not include those who permanently employ workers or employ a substantial number of seasonal workers or have any land cultivated by share croppers or tenants.

By this definition, in India rural workers would cover agricultural labour, marginal and small farmers, share croppers, tenants, rural artisans, as well as workers in rural areas engaged in fisheries, forest, horticulture, animal husbandry and other related occupations Thus *this definition would appear to exclude categories (c), (f), (g), (h), (i), (j) and (k) of para* 4.6 *above.*

4.8. Quite early in its work, the *Study Group* recognised the fact that despite a wide variety of schemes and programmes of welfare and social security that are currently in force, *its attention must predominantly be in favour of the lowliest and most disadvantaged sections of our society.* In this view, it was felt that *we must begin with destitutes in respect of whom relief should be a social obligation to be borne by the state along with a phased programme of implementation. The most deserving should not be relegated to the position of being "residuary beneficiaries" of funds if any available* after all other demands have been met. *These people must be accorded the first priority in the allocation of funds; they have waited for over four decades after independence and it is time that their needs received the first priority.*

4.9.1. In the light of the above, the Study Group examined the priorities it must adopt in respect of the various categories listed out in para 4.6 above. It considered the question whether it will be necessary to sub-categories these categories with a view to identifying the weakest section in each of these categories; or, in the alternative, whether it will be proper to identify certain categories whole sale as belonging to the weakest sections, as for example, agricultural labourers in contrast to small and marginal farmers.

4.9.2. Arising out of this, the Study Group asked itself the question whether within a category it is at all desirable or feasible to exclude some on the ground that they are not as weak as the rest. While this may be "possible in respect of certain sub-categories such as masons and carpenters amongst construction workers, such a distinction may be uncalled for in the case of agricultural labourers.

4.9.3. All these lead to the conclusion that refinements of *categorisation and subcategorisation, on the basis of occupational categories of rural labour, may not be relevant to the purposes we have in view.* All these categories which are significant at the macro level are likely to merge in a large number of cases at the level of the village. Thus, a landless agricultural labourer will also be a construction worker and also a worker tending cattle etc.

4.9.4. The Study Group felt that *categorisation of workers for purposes of conferring benefits may not be feasible* particularly *when* the Study Group had agreed that *its priority will have to be the weakest sections* of the population *and when each category will have its own list of "weakest" persons.*

4.10. In coming to the above conclusion, the Study Group was guided by another consideration. It was advised that it may be *more advantageous to decide first the minimum social security benefits that it would like to provide and then identify the beneficiaries* who should be included for each of these benefits. Everyone in the village situation may need a certain minimum amount of protection of one kind or another. *Also,* the *traditional social insurance patterns designed for income protection may not be suitable* in their cases; it may be desirable to think in terms of income generating or income support schemes.

4.11. In view of these factors, the *Study Group finally agreed that as for as social security is con-*

cerned the following minimum benefits may be provided as a matter of high priority:

(a) *old age pension;*

(b) *maternity benefit;*

(c) *disability benefit;* and

(d) *minimum health care and sickness benefit.*

4.12.1 In deciding on these benefits as a matter of priority, the Study Group was guided by the following factors.

4.12.2. *Old age pension schemes are currently in operation in all the states and union territories,* though the quantum of assistance, criteria for eligibility and the numbers involved may vary from state to state. Therefore, *universalising such a scheme on the basis of uniformity of benefits and criteria for eligibility will only be the next logical step.* It is also relevant to note that the Working Group on Social Security set up by the Economic Administrative Reforms Commission had in its Report (June, 1984) recommended "that the Centre should take a major initiative to promote a reformed and enlarged (told age pension) Scheme and provide a due measure of financial support to the states for securing its implementation".

4.12.3. Maternity benefit to rural agricultural women labourers are provided in the states of Gujarat, Karnataka, Kerala and Andhra Pradesh even though the quantum of assistance, the duration and eligibility criteria are not the same in all these states. We are firmly of the view that as far as rural women are concerned, all of them are workers, even though quite a large number may be technically only housewives, and that *all rural women should be entitled to maternity benefits at the cost of the state.* In coming to this conclusion we are fortified by the recommendations of the National Commission on Self Employed Women and Women in the Informal Sector, contained in its Report "Shram Shakti" (June 1988). Relevant extracts are given below:

"......We therefore unhesitatingly recommend that, where it is not possible to extend maternity benefit to the working women through a special fund referred to in the earlier paragraph, the responsibility for providing this benefit will devolve on the State Governments. The existing practice in some states of providing maternity benefits to women agricultural labour already referred to will only have to be extended to all adult women. This will have to be supplemented by appropriate child care through provision of creche, to be located preferably in the village schools, so that they can leave their children there when they are at work; this will also facilitate the elder children going to school instead of staying at home......".

4.12.4. As for *disability benefit,* the General Insurance Corporation of India is already operating a scheme of Personal Accident Insurance for poor families; Gujarat State also administers a Group Insurance Scheme to cover cases of total or partial disablement. Given the meagre coverage of rural workers under the Workmens Compensation Act, 1923, and where covered, the relatively long time and expense it entails, it becomes necessary to provide for some form of disability benefit to rural labour; also, such benefit *need not be restricted to employment injury but must be available to all cases of disability.* The provision of a Solatium Fund from out of which payments are made, either in the case of death or grievous hurt, in respect of hit and run motor accidents is a pointer for providing benefits in case of disability. However, in view of difficulty in checking abuse and false clamis, the of difficulty in csecking abuse and false claims, the benefit only to cases where as a result of the disability, the loss of earning capacity is 70 per cent or more.

4.12.5. As for medical care and sickness benefit, the former requires essentially the strengthening of the existing set up to serve the rural areas better. The later, namely, *sickness benefit* is considered by the Study Group to be *an essential income protection measure to provide for loss of earnings due to sickness.* Even here, to begin with, the Study Group would like to *restrict the benefit only to hospitalisation cases* and the maximum number of days being restricted to 90. The payment may be at the minimum rates of wages. Evidence of past employment not being easy to obtain or to prove, the Study Group considered it expedient to provide this benefit to all between the age group 18 to 60.

4.13.1. The Study Group recognised that it has to deal with economic security also, in addition to social security. *While social security is, in a sense, a straight forward simple concept, the same cannot be said of economic security; even the remedies and solutions are more complex.*

4.13.2. Broadly, a *distinction* can be drawn *between the economic security needs of the self employed and those of a wage earner,* even though the distinction between the two may not be watertight. It is however recognised that economic security in respect of the self employed will be more in terms of supply of adequate raw materials at fair prices, technical help in production processes, assistance (including financial) in the procurement and/or replacement of equipment, marketing assistance and the needed financial help for both production and marketing. These would be more or less common to all self employed activities, be it handloom weaving, beedi rolling, sericulture, leather working, etc.; in the case of those self employed in agriculture, namely cultivators, the assistance would again comprise timely and adequate inputs at reasonable prices, irrigation facilities, supply of electricity/diesel oil, storage and marketing assistance, financial help both short term and medium term, etc. Apart from these, there is a need to enable them to upgrade their skills and techniques, so that there is considerable improvement in their productivity leading to reduction of cost which in turn will stimulate demand leading to greater volume of employment.

4.13.3. The Study Group recognised *employment as the foremost element in economic security.* The massive unemployment and under employment in rural areas where over 70 per cent of the population live have generated in its wake myriads of problems, evidenced by poverty, child labour and urban migration. Provision of adequate employment opportunities in rural areas, both for men and women, will also help in putting an end to child labour and the resulting low rates of literacy and school enrolment on the one hand and high rates of school drop out on the other. *The decision to include "Right to Work" as a Fundamental Right in the Constitution is a step in the right direction.* The Study Group is aware that a separate Group is studying the question of employment generation and will, therefore, rest content with only a reference to this issue.

4.13.4. While on the subject of employment, the Study Group would like to refer to two matters. Firstly, the *caste factor effectively prevents several sectors of the rural poor from getting the benefits of various government schemes and programmes;* this factor denies them accessibility even to employment though government programmes and policies may give them preference. We are informed that the Study Group on Social Constraints of Rural Labour will be looking into these kinds of issues. Secondly, the Study Group notes with regret that *despite reservation of posts for Scheduled Castes and Scheduled Tribes including promotion posts, the required percentage of SC/ST appointees to posts in grades A, B and even C has been consistently falling short.* This calls for urgent corrective action. *More serious* than this *is the emerging trend in several public sector establishments and in some establishments in the private sector where jobs are reserved for the children or the nominees of employees who retire from service.* While provision of employment, on compassionate grounds, to a member of the family of a worker who dies while in service may not be objected to, the present practice is both against the Constitution in so far as it violates both Article 14 and Article 16, and also pernicious in so far as it effectively blocks entry of the disadvantaged sections from getting employment in the organised sector even though they may be educationally and otherwise qualified for such appointments. It may be argued that these are essentially problems pertaining to the organised sector; but even so, to the extent that these practices adversely affect the employment opportunities of the disadvantaged, these should be put an end to speedily.

4.13.5. *Coupled with employment is the question of minimum wages. The total earnings of a rural worker is a function of both the number of days of employment he gets in a year and the rates of wages that he is able to earn.* Availability of adequate employment in rural areas will, by itself, increase the prevailing rates of wages and enhance the bargaining power of the rural worker resulting in better enforcement of the Minimum Wages Act, 1948. Here again, the Study Group is not proposing to expatiate on the subject of minimum wages, their fixations/revision and their enforcement, as another group is seized of the matter.

4.13.6. *Guaranteed employment and an assured rate of minimum wages are the twin safeguards that contribute most to economic security in rural areas. Nothing can eradicate poverty faster or more surely than the combined effect of these two factors.* Even so the *burden of the past hangs heavily on the shoulders of the rural poor in the shape of indebtedness.* The Rural Labour Enquiry, 1977-78, Report on Wages and Earnings of Rural Labour Households shows that 52.3 per cent of all agricultural labour households and 50.5 per cent of all rural labour households are indebted and on an average the debt per indented household was Rs. 660/- and Rs. 690/- respectively. Of these, the indebtedness to cooperative societies, employers and the banks accounted for only 20 per cent the rest being accounted for by debts owing to money lenders, shop keepers and the like. Purposewise, household consumption and ceremonies accounted for nearly 2/3 of the total amount indebted. These loans will not therefore come under the purview of the recent policy in regard to loans up to Rs. 10,000/-. The recently announced relaxation under which even in respect of loans outstanding for amounts in excess of Rs. 10,000/-, the write off will apply to the first Rs. 10,000/- (thereby helping even the bigger borrowers) makes the Study Group to suggest that something ought to be done to take care of the indebtedness of the *rural poor whose extent of loans outstanding is almost the same as their annual income.* An important point to bear in mind in this context is that the *small and marginal farmers* will more often than not, be indebted, not to the cooperative or the rural bank or the commercial bank, but to the local moneylender who may also be the big landowner under whom he may also be a tenant or share cropper. It is of utmost importance that the *indebtedness* of these small and marginal farmers *must be redressed.* But here again, yet another Study Group is looking into the whole question of indebtedness and we therefore leave this matter in their hands.

4.13.7. The Study Group is strongly of the view that food security is a crucial element of economic security, *the per capita availability of food grains, pulses, edible oils, sugar, milk, etc. in rural areas must be assured at a minimum level* and the *level progressively raised every year.* The need therefore is paramount for the *Public Distribution System to be strengthened and expanded* in the rural areas so that every family can, on the basis of a family card issued to it be enabled to purchase its requirement of essential articles at reasonable prices. Along side of this, *a system of payment of wages partly in kind, at the option of the worker, may be encouraged* with sufficient safeguards to ensure quality and correct weighment.

4.13.8. Another aspect of economic security relates to *loss of assets* (land, house, cattle, equipment and implements, etc.) either *due to natural calamities* like fire, flood, epidemic, etc., *or by acquisition and consequent displacement.* Such loss should also include loss of crop by fire, drought, etc. These types of cases would cover both self employed persons and others. While *ad-hoc* measures are taken in the event of natural disasters by way of immediate distress relief, and the quantum and nature of relief may vary from one case to another or from one State to another, *the need for organized arrangements for rehabilitation is still obvious.* The recurring *floods* with all the destruction this entails, the periodic *droughts,* not infrequent *fires, etc. affect the poor far more gravely than the others.* There are certain schemes like *crop insurance, livestock insurance,* hut insurance, etc. but these are not universal; these are also often tied to loans obtained from the cooperative, rural banks and commercial banks, with the result that the *poorer sections who do not seek recourse to these institutional financial arrangements get left out. Their economic security will depend on the speed and completeness with which their hardships are removed and they are enabled to resume their avocations* at least at the low level they had, before disaster struck them.

4.13.9. An important area, specially important to the persons affected, is the loss of assets, particularly land, which gets acquired for some project or for some other public purpose. *The payment of cash compensation, howsoever generously fixed, does not in any way mitigate the hardships to the small and marginal landowner caused by the loss of the land.* This takes away his source of livelihood and what is more, his 'izzat' in the community and his own self-esteem. We think that the *remedy* to such a situation *lies not merely trying to avoid acquisition of lands belonging to the small and marginal landholder but also, where acquisition is unavoidable, to compensate him by an equivalent extent of land.* Where the land is for a project, the cost of rehabilitation and the responsibility for it, in terms of providing equivalent extent of land and rendering all the necessary assistance for rehabilitation in the new surroundings, must be that of the project. *Where the project is one for irrigation, the needed land must be obtained from the beneficiaries of the project.*

We would also suggest that in the matter of compensation and for rehabilitation, *the needs of the tenants and share croppers* wherever they exist, *should not be overlooked.* They had been dependent on the land that is being acquired and they are, therefore, as much entitled to compensation/rehabilitation as the land owner.

4. 13. 10. Economic security in its wider connotation will also include opportunities for education, health, recreation and most importantly *housing. Provision of a house site to the rural poor* will, in addition to giving him or her a place to put up a humble hut, also restore to him or her a certain amount of dignity and also a certain feeling of security that this is at least one asset that he or she cannot be deprived of. It is not for nothing that The Bonded Labour System (Abolition) Act, 1976 in Section 8, makes a special provision in respect of homestead land, in the following words:

> "8. Freed bonded labourer not to be evicted from homestead etc.—
>
> (i) No person who has been freed and discharged under this Act from any obligation to render any bonded labour, shall be evicted from any homestead or other residential premises which be was occupying immediately before the commencement of this Act as part of the consideration of the bonded labour."

4. 13. 11. We would like to conclude this para on economic security with a reference to two statemeits (*Appendix V appendix VI*) *adopted* by the Fifth All India Consultations on Rural Development organized by the Rural Workers' Trust (of which one of the members of our Study Group, Shri Kanti Mehta, is the Chairman), in collaboration with ILO in February, 1989. The statement relate to (i) the deterioration in employment situation in the rural areas and measures for their improvement and (ii) the problems of industrial refugees, a term which refers to the original inhabitants of an area (more often tribals, scheduled castes, etc.) whose land had been acquired or projects and consequently displaced from their home and lands, this creating a new class of refugees who have lost their moorings, means of livelihood etc. The Study Group considered it necessary, in the context of providing economic security to the rural poor, that *the views and recommendations contained in these two statements be given serious consideration.*

CHAPTER V

Old Age Pension

5.1. In Chapter IV above, we have briefly mentioned Old Age Pension as one of the minimum benefits that may be provided in rural areas as a matter of high priority.

5.2. Old Age Pension (OAP) schemes, payable monthly, are in operation in all the states and union territories. Some of these have had their beginnings as early as 1960 (Kerala and Andhra Pradesh), 1962 (Tamil Nadu) and 1964 (Rajasthan, West Bengal). Notwithstanding the widespread nature of this scheme, there are considerable variations from state to state in the detailed provisions of the schemes. These variations relate to quantum of monthly pension, the eligibility criteria in terms of age, income levels, etc. and other factors. Generally the minimum age for coverage is 60 or 65 years, and the quantum of pension varies from Rs. 30 to Rs. 100 per month. By and large destitutes are covered; however, disabled persons are also covered in certain states even if they are below the generally prescribed minimum age level. A statement showing statewise details of the scheme may be seen in Appendix III.

5.3. The number of beneficiaries varies in respect of the major states from 30,500 in West Bengal to 14,90,000 in Bihar; a surprisingly large figure is shown for Haryana (7,54,900) and Punjab (11,61,300). Uttar Pradesh, the largest state in terms of population, accounts for only 1,14,000 beneficiaries. The coverage and the quantum of assistance have been undergoing changes from time to time in several states. It is also learn that in certain states the total number of beneficiaries was frozen at a particular level, depending on the budget provision made for the scheme and a new entrant is eligible to be included only when a 'vacancy' arises by way of death of an existing beneficiary

5.4. A quick look at the Combined Finance and Revenue Accounts of all the states and union territories for the year 1980-81 shows the expenditure under "Pension under Social Security Schemes" (which may include expenditure on pensions other than Old Age Pension) to be of the order of Rs. 76.39 crores, of which the amounts accounted for by some of the major states are as follows:—

Andhra Pradesh	1·70 Crores
Bihar	18·97 ,,
Karnataka	14·61 ,,
Kerala	18·99 ,,
Madhya Pradesh	3·41 ,,
Orissa	2·18 ,,
Punjab	3·70 ,,
Rajasthan	3·14 ,,
Tamil Nadu	3·58 ,,
Uttar Pradesh	1·91 ,,
West Bengal	1·12 ,,

It is difficult to estimate the extent to which OAP accounts for the total expenditure; it may not be unreasonable to presume that except for states like Kerala which have a well established Agricultural Workers Pension Scheme, the bulk of the expenditure is likely to be on OAP.

5.5. The Finance Accounts of three major states, Punjab, Tamil Nadu and West Bengal which could be obtained—for the year 1986-87 gives the following figures of expenditure during 1986-87 on Pensions under Social Security Schemes:—

Punjab Rs. 4.58 Crores
Tamil Nadu Rs. 12.16 Crores
West Bengal Rs. 3.40 Crores

The statement at Appendix III and the expenditure figures given above are adequate to bring out the wide variations in the schemes and the amount of expenditure incurred on pension schemes by different states, relative to their population. The Study Group felt that as a minimum benefit to be provided by way of old age pension, *there can be no reason why criteria must be different in different states. A broad measure of uniformity was considered desirable,* in respect of age, quantum and eligibility criteria. The Study Group found that in several states the minimum age was fixed at 60 years though some states like Himachal Pradesh, Assam, Andhra Pradesh, Kerala, J&K, Uttar Pradesh, etc. had fixed a higher age limit of 65 for males, but adopted a lower limit of 60 for females. Likewise the quantum also varied, as already stated, from Rs. 30 to Rs. 100 per month. Haryana and recently Uttar

Pradesh are reported to have liberalised their existing schemes, raising the pension amount to Rs. 100/- per month.

5.6. Given these features and developments, the *Study Group recommends that Old Age Pension be paid to all males and females (subject to eligibility critéria indicated in the succeeding paragraphs) above the age of 60 and that the quantum of pension be Rs. 100/- per month.*

5.7. As for other eligibility criteria other than age, the Study Group found that generally the pension is payable to destitutes, with provision for inclusion of physically handicapped persons, widows, etc., below the prescribed age limit. The *Studp Group* is of the view that while relaxation of age limit in respect of physically handicapped persons may be permitted at the discretion of each state, it *does not favour relaxation in the case of widows, as a matter of course. Such women, including deserted wives and others also, should be enabled to earn their livelihood and for this purpose, a suitable rehabilitation and training programme should be evolved,* except in those cases where the women despite being below 60 years of age are not physically or mentally capable to earning their livelihood. This will also tend to set a socially desirable trend.

5.8.1. Another important criterion is the eligibility based on actual needs for a pension in the context of the current income of the old persons. Both in terms of the finances involved as also on merits, the Study Group is of the view that not all people in rural areas above the age of 60 should be eligible. The population projection for 1990-91 shows that the total number of persons in the country in the age group 60 and above is 5.48 crores of whom about 75 per cent or 4.23 crores can be taken to livein rural areas. To give each one of them a pension of Rs. 100/- per month will cost a staggering Rs. 5000/- crores or so annually. This is wholly out of the question, both in terms of finding the funds and on the basis of needs.

5.8.2. The Study Group initially thought of an individual income limit of Rs. 3600/- per annum for a person above the age of 60 years to be eligible for the pension. But it realised that such a high limit will perhaps include bulk of the old people in rural areas. The Group considered various alternatives that could keep the expenditure at a reasonable limit and would at the same time cover the most deserving. It noted that the Kerala Agricultural Workers Pension Scheme prescribed family income of Rs. 1500/-, including the income of unmarried adult sons and daughters of the beneficiaries. The Study Group also recognised the hazard, not all that unlikely, in fixing income ceiling for beneficiaries, as that may result in the older people being isolated from the family merely to make him or her eligible for old age pension.

5.8.3. The Study Group felt that too many refinements on income eligibility limit are best avoided to make administration easy and chances of corruption/harassment minimal. After considerable discussion the *Study Group decided* as follow: *where both the spouses are over 60 years of age, their combined annual income should be below Rs. 2400/- for each* of them to be eligible for the pension; where only one of the two is over 60 years of age, that person *will be eligible for pension only when their combined income is less than Rs. 2400/- per year, Where, however the person above the age of 60 years is single and his/her income is below Rs. 1500/- per year, he/she should be eligible for the pension.* Widows and abandoned women without any means of income would be eligible to get pension only if they are over 60 years of age; at lower ages, the attempt should be, as already stated, to rehabilitate them as that would be a socially desirable goal.

5.8.4. The Study Group gave serious consideration to the question whether, in addition to the income criteria of the individual old persons for eligibility to old age pension, the *family income should also be taken into account, i.e.,* whether persons over 60 years of age will be ineligible for old age pension if the income of the family of which they form part is over Rs. 6,400 annually. *The Study Group came to the conclusion that this additional stipulation should not be made,* for a variety of reasons. The Study Group was of the view that *eligibility for old age pension must be governed only by two factors— one, the age and the other, the individual income of the old person and in case of married couples, both above the age of 60, their combined income.* Also, his/her individual income, he would be more welcome within the family as he or she or both will be contributing something to the income of the family, of which they are a part, from their old age pensions. If the family income were to be a criterion, then it may happen that a family above the minimum level of income may be tempted to induce the old persons to move out of the family merely to enable them to be eligible for the old age pension. Therefore it is considered undesirable to link up family income with eligibility for old age pension.

5.8.5. Several states have included *destitutes and handicapped persons* as being eligible for old age pension even if they are *below the qualifying age.* We recommend that *State Governments/union territory Administrations may continue to cover such categories under the new dispensation also.*

5.9. The Study Group examined whether it would be feasible to adopt instead of income criterion any other criterion such as one based on consumption expenditure particularly on food. While this is a very important criterion, the Group felt that implementation of a scheme based on food consumption criterion for purposes of eligibility will be a difficult and a controversial one.

5.10. It is not easy to make any precise estimates of the likely order of funds for implementing such a scheme of old age pension. All the states/union territories put together must be spending well over Rs. 100 crores a year on OAP schemes and the amounts will steadily go up as criteria for eligibility in terms of age, etc. are relaxed and quantum of pension increased. A rudimentary calculation to estimate the numbers involved is briefly explained below: Out of the total of 4.23 crores of persons in rural areas above the age of 60 years, it has been assumed that one third will be below the poverty line *i.e.* about 1.41 crores. It has also been assumed that the combined income of husband and wife or their separate income at the levels indicated in para 5.8.3. will be below the poverty line. *A total of* 1.41 *crores beneficiaries at Rs.* 100/- *per month each will cost Rs.* 1700 *crores annually.* This figure will go up if states were to include also physically handicapped and others below the age of 60 years in the categories eligible for old age pension.

5.11. All old persons above the age of 60 years who are in receipt of government pensions such as civil service pension, defence pension, freedom fighters pension, etc. will be ineligible for OAP.

CHAPTER VI

Maternity Benefits

6.1. Next to old age pension, the Study Group has listed *maternity benefits as the second most important of the minimum benefits to be provided in rural areas as a matter of high priority.* The Study Group has in para 4.12.3 above given the reasons why it considers this urgent and important.

6.2.1. Very few States, like Gujarat, Karnataka, Kerala and Andhra Pradesh have implemented maternity benefit schemes which provide financial assistance to landless women agricultural workers in rural areas.

6.2.2. In Gujarat, the women agricultural labourers are eligible to get as maternity benefit minimum wages, as fixed for agriculture, for six weeks in the case of first delivery and for 4 weeks in the case of second delivery. The amount is to be paid every week. Under this scheme, after the birth of the second child, no aid can be given as maternity benefits. Moreover, the scheme requires a pregnant women to produce a certificate showing that she belongs to a poor landless agricultural labourer's family.

6.2.3. The Kerala scheme also provides cash benefits (at the rate of minimum wages) and medical assistance to the mother and the child.

6.2.4. Similarly, the Karnataka Government's Scheme provides maternity benefit for a period of three months for the first and second deliveries only. The amount payable is fixed at Rs. 100/- per month.

6.3. So important point to be urged is that even though elaborate discussions have taken place as to who constitute "Rural Labour". "Agricultural Labourers", etc., it is *neither necessary nor possible to adopt any criteria for identifying rural women for purposes of eligibility for maternity benefits.* In the rural areas, all women are *workers* and in any event we are not concerned with women from those economic strata of rural society who cannot be or do not want to be described as workers. Thus, even as in the case of DAP all men and women above the age of 60 are our universe from whom the eligible will have to be identified so also in the case of maternity benefit we will have to start with all rural women from whom the eligible are to be identified.

6.4. The Study Group is of the view that *maternity benefit payment should partake of both income protection and income support.* This is the logic of making all women in rural areas eligible for this benefit, subject to the stipulated conditions and criteria. Thus, women who are earning a wage or getting an income either as a wage earner or a self employed person on the one hand will receive the benefit as an income protection measure and other women, who are described as non-workers or housewives, will receive the benefit as an income support measure.

6.5. To begin with, *certain policy constraints* may have to be recognised. *As the minimum age for marriage is 18 in the case of girls, the Study Group confined eligibility for maternity benefit only to cases where the mother is not less than 18 years of age.* Likewise, in view of the policy of the *small family norm,* the Study Group is also *restricting the maternity benefits to only two live births*; even here, if one of the two children is born before the mother was 18 years of age, that mother will be eligible to maternity benefit only in the case of one more live birth after she attains the age of 18. If both the births have taken place before the mother is 18 she will not be entitled to the benefit for any subsequent births.

6.6. For purposes of eligibility, the *Study Group suggests the adoption of income limit of* Rs. *6400/- per annum, as in the case of IRDP, of the women's family,* which would include her husband and dependent children.

6.7. The *benefit will be for period of 6 weeks and in two instalments*—one of 3 weeks before confinement and another of 3 weeks after confinement. *The amount of payment will be at the minimum rates of wages for unskilled labour in agriculture* as notified by the concerned state Government from time to time. The pre-confinement payment should be made to the women 6 weeks prior to the expected date of confinement to enable the women to take nutritious food.

6.8. *A women seeking maternity benefit assistance should register herself with the local ANM (Auxiliary Nurse Midwife) within 4 months of her pregnanor.* It was felt that this would *enable the needed linkage with the public health system,* enabling the ANM to furnish the certificate of pregnancy which will be a prior requirement for claiming assistance.

6.9. An estimate of the cost of such a scheme of maternity benefit, which should be fully funded by the State, is even more difficult to make than in the case of Old Age Pension, However, another quick rudimentary estimate has been attempted on the lines indicated below.

The female population in rural areas, by age groups, for the year 1986 is as follows:—

Age Group	No. of females (Crores)	Fertility rate (Number of live births per 1000 females)
15—19	2.93	97·6
20—24	2·45	266 0
25—29	2·10	245·9
30—34	1·85	176 6
35—39	1·60	107·2
40—44	1·39	54 5

As we are proposing to restrict the benefit to only two live births, it has been assumed that these two live births eligible for the benefit will, as far as rural areas are concerned, all be in the age groups of 15-19 and 20-24. Of these, as we are restricting the benefit to females above the age of 18, it has been further assumed that the number of births in respect of females of the ages 18 and 19 will account for 60 per cent of the total births in the one group 15-19.

On this basis, the total number of live births for the age group 18-24 works out to 8.24 million in 1986.

As the annual income limit of family has been fixed at Rs. 6400/-, it has been assumed that 1/3 of the total rural population will be falling within this limit. Assuming that the incidence of birth in rural areas is uniform among all income groups, the number of live births which will qualify for maternity benefit works out to about 2.75 millions. The number may actually be less, as we have assumed that all births in the age group 18-24 will be eligible for assistance; this may not be so, for the reason some of these may be of the third or fourth child in which case maternity benefit will not be available.

As the benefit will be on the basis of minimum wages notified for agriculture, and as there is incessant demand for raising the notified minimum rates of wages for agriculture, the Study Group has adopted a daily wage rate of Rs. 20/-. On this basis, the total amount of maternity benefit for 42 days in the case of an eligible live birth will be Rs. 840/-. Thus *the total expenditure in a year for the whole country will be 2.75 million×840=Rs. 230 Crores.*

6.10. We have in para 6.7 above indicated that the maternity benefit will be for a period of 6 weeks; our estimate, in Para 6.9, of the total cost of the benefit has also been worked out for this period of maternity benefit. *While the period of 6 weeks may be good enough to begin with we recommend that this period must be progressively increased to a period of 12 weeks within a matter of 5 years,* so that at the end of the five years, the rural women workers will be on par with the provisions of the Maternity Benefit Act, 1961, at least in the matter of the period for which the benefit is payable.

6.11. It is needless to state that all women who are eligible for maternity benefit under the Maternity Benefit Act, 1961 or under the E.S.I. Act, 1948 or Plantation Labour Act, 1952 or under any other scheme or programme will not be eligible for the benefit of this scheme: it is most likely they will in any event be ineligible under our income limit criterion.

CHAPTER VII

Disability Benefits

7.1. Apart from old age pension, some states like Gujarat, Haryana, Kerala, Maharashtra, Tamil Nadu, Nagaland and West Bengal have introduced pension schemes for the physically or mentally handicapped and other categories of disabled persons. The amount of pension and eligibility conditions vary from one state to another. Details may be seen in Chapter III.

7.2 As regards disability benefits, the General Insurance Corporation of India is already operating a scheme of Personal Accident Insurance for poor families. Gujarat State also administers a Group Insurance Scheme to cover cases of total or partial disablement.

7.3 The Study Group considered that disability benefit need not the occupational employment related. This will naturally widen considerably the extent of beneficiaries. For this reason, the Study Group considered whether it is desirable to restrict the benefit to future cases or it should cover cases of the already disabled. After detailed discussion the Study Group came to the conclusion that past cases cannot be excluded, as they are as much deserving of the benefit as the future cases, and in any event the number of past cases may not be large. Some of the states also include such persons in their existing old age pension scheme. In the light of all these circumstances, the Study Group decided that **disability benefit must be available to all the eligible persons—past, present and future—between the ages of 18 and 60 years, the benefit being payable from the date of comencement of the Scheme.**

7.4 The Study Group also considered the question whether the disability benefit be confined only to total disability or whether partial disability should also be covered. Afer discussion, it was, however, agreed that, **to begin with, the scheme should be restricted to total disability and disability resuling in at least 70 per cent loss of earning capacity.** In dedeciding cases which will becovered, so that there can be no uncertainty or dispute *about the extent of loss of earning capacity*, the Study Group decided to **adopt those injuries which**, under Schedule I to the Workmen's Compensation Act, 1923 and the Second Schedule to the Employees' State Insurance Act, 1948, **result in 70 per cent or more loss of earning capacity.** For ready reference, the list of such injuries is listed out in *Appendix VII. Such cases could be treated on at par with the old age pension cases and the level of payment could also be the same as that.* Where existing schemes of any state government are more beneficial both in terms of coverage and quantum, they may be continued. The *income criterion* to decide on eligibility, may also *be on the lines indicated by us in respect of Old Age Pension.*

7.5 The Study Group also *recognised the need for the rehabilitation of the disabled* and *recommends that the existing efforts will have to be considerably strengthened* so that they can be gainfully employed. It was also felt that *in the context of Right to Work, the handicapped must automatically be eligible for a pension or assistance.*

7.6. It is *not possible to make any estimate of the likely financial outlays that the scheme may entail.* The National Sample Survey Organisation conducted, at the request of the Ministry of Social Welfare, Government of India, a country-wise sample survey of disabled persons, during the International Year of Disabled Persons (1981). The survey covered three types of disabled, namely, visual, communication and locomotor disabilities. Mental disability was specifically excluded from the survey. According to the survey, 12 million persons (1.8 per cent of the population) have at least one disability; 10 per cent of the disabled have more than one type of disability. Prevalence of disability was more in rural areas, which accounted for 81 per cent of the cases; it was more among males (57 per cent) than females (43 per cent). The survey showed that generally the prevalence rate is seen to increase with age and is maximum in the age group 60 and above for all types of disability except in the case of speech disability where the maximum rate was in the age group 5—14 years. The survey also showed that an overwhelming proportion of the disabled population in the age group 60 and above wes found to have developed disability from the age 45 and above in respect of all diabilities.

7.7 The above facts are no doubt of great importance and relevance for formulating policies for treatment and rehabilitation. The Study Group is not equipped to make from out of the figures given by he Survey any estimate of the likely cost.

7.8 The Study Group discussed the need for providing similar *disability benefits* (as indicated in para 7.3 and 7.4 above) *to the mentally disabled* persons also. While it was satisfied that such persons should also be brought within the Social Security net, the Study Group felt that the manner of determining the extent of mental disabilities and the consequent incapacity to work are matters which would require expert examination. So, we recommend that *this question may be got examined by an expert group of persons.* We would once again urge that the *mentally* disabled do need social security protection as any other vulnerable section of the Society, perhaps more.

CHAPTER VIII

Health Care and Sickness Benefit

8.1 *Health* is one of the most important aspects of both economic and social security and is perhaps *a very reliable indicator of the state of economic and social security obtaining in a country.* While in terms of expectancy of life, infant mortality and other indicators, there has been improvement in India over the last forty years, yet in absolute terms the situation is far from satisfactory for the country as a whole; in the case of rural areas, the position is much worse. Availability of medical and health services, inadequate as they are, have tended to get concentrated in urban and industrial areas, at the cost of rural areas and the rural people, more specifically the rural poor.

8.2.1 *Being a welfare state, it had been the endeavour of the State to carry medical relief and supplies wherever these were needed.* Health care is a State subject under our Constitution, but the Centre also supplements and supports these activities. In addition the centre also directly operates health care facilities for its employees including the pensioners.

8.2.2 During the Seventh Five Year Plan, the Government continued its efforts to provide effective and efficient health and family welfare services to the people in the rural areas by expanding its network of sub-centres, Primary Health Centres (PHCs) and Community Health Centres. Since more than 76 per cent of India's population lives in rural areas, adequate network of service centres had to be extended to the rural areas also. However, the problem of improvement of quality of services and their accessibility and availability to the community continues to demand serious attention of the planners. The following table shows the posiiton in regard to establishment of Community Health Centres, Primary Health Centres and sub-centres on the one hand and the availability of medical and para medical personnel.

SEVENTH PLAN : PRIMARY HEALTH CARE INFRASTRUCTURE

	Total Required	Position as on 4-1-85	Target for 1985—90
1. Community Health Centres	5,417	649	1,553
2. Primary Health Centres	23,000	11,000	12,000
3. Sub-centre	137,000	83,000	54,000
4. Sub-centres with own building	137,000	33,475	23,837

Source: The Seventh Five Year Plan, Volume II Planning Commission, Government of India.

As per coverage according to population norms.

HEALTH OFFICER VACANCIES

Category	Vacancies	Percentage of Budgeted Posts
PHC medical officers	3,730	16·8%
Health Assistants (male)	3,890	13·6%
Health Assistants (female)	4,001	18·8%
Multi-purpose worker (male)	5,020	5 6%
Multi-purpose worker (female)	7,283	6·4%

Source : Ministry of Health and Family Welfare, February 1988.

8.2.3 Since Independence, progress has been made in relation to maternal and child health service. While medical care and treatment to women and children is provided by State Governments, centrally sponsored schemes are also being implemented for health care of women and children. Entire services for women were to be provided as a part of primary health care programme and also raise their health and consciousness. The Government has started ICDS scheme with the objective of improving the nutritional and health status of children and to reduce the incidence of mortality, morbidity and malnutrition.

8.3 *In actual terms, however, the picture is quite different. Despite the substantial increase in the total plan expenditure, the share of expenditure on health has been steady over a period.* The share of expenditure on medical service, medical education and public health has even declined from 65 per cent to 54 per cent of the total health sector outlay over the last decade (and especially since 1980-81). Moreover, the data indicate that public spending on health related service amounted to only 1.6 per cent of GDP in 1986-87, higher than 1.2 per cent in 1976-77. The share of health spending excluding water and sanitation rose from 0.96 per cent in 1976-77 to 1.15 per cent in 1986-87. However, resources allocated to the health sector have been far below what is required in view of the continuing low health status of much of the population. Adequate outlays on water supply and sanitation—particularly potable drinking water being made available to the entire population in villages will by itself contribute to better health and absence of bulk of the illnesses.

8.4 Workers in the rural unorganised sector are more prone to health problems which relate to their work environment, work actions, lifting weights, long hours of work and of course, technology. There are specific health problems related to their occupations. Most of the unorganised labourers face a number of health problems by virtue of being poor, under and mal-nourished, etc. In this context, the provision of *"Health for all", by 2000 A.D. appears a distant dream, as even the expansions and strengthening that have taken place, including availability of medical and para medical personnel, have taken place predominantly in urban areas, at the cost of the rural areas.*

8.5 The Study Group took note of the fact that *the inadequate medical and health facilities in the rural areas are compounded by the reluctance of medical personnel to serve in rural areas.* It was also noted that separate facilities are available for specific categories of persons in the form of, say ESI hospitals, railway hospitals, police hospitals, Welfare Fund hospitals, CGHS dispensaries, public sector undertakings hospitals, etc. *Given the inadequate* medical facilities for the general public at large, there *must be a system by which the spare capacity of these hospitals and dispensaries may be made available to the public; the long term approach must be to do away with such special interests' medical facilities.* Under the Constitution (Article 47) it is the duty of the state to raise the level of nutrition and standard of living and to improve public health. The facilities of the above institutions should be available free; reimbursing these institutions for such public coverage should be a matter for negotiation and settlement by the Governments with these institutions.

8.6 The approach paper to the Eighth Plan point out that the health care system in the country cannot be made effective unless the medical educational system is structurally modified. Doctors trained at great public cost are not available to serve rural areas. If emphasies the need for training of medical professionals equipped and oriented to serve the rural areas through innovative medical schooling. It has been also indicated that the health care system needs to be enriched by using simple, inexpensive methods and remedies derived from traditional systems.

8.7 *The Study Group is not convinced that lack of resources is the only reason for the sad neglect of rural areas in terms of health. The requirements of funds if calculated in terms of replicating in rural areas all that has been attempted in major cities and industrial centres* will no doubt be staggeringly high. *But should that be the only kind of development that we must attempt?* Have we paid enough attention to *strengthen the time honoured indigenous systems of medicine and practices,* which the rural people had been familiar with and which were inexpensive more often based on locally available herbal and other raw material. Perhaps, adequate thought and attention have not been bestowed on this aspect of preventive and curative medicine. We do not recommend that these systems and practices alone should be available to the rural people; in any event, rural people have been exposed to allopathic system of medicine sufficiently long enough to insist on pills, capsules and injections, surgery and hospitalisation, even though all these may not be necessary or effective.

8.8 *Even within the allopathic system of medicine, the rural population have fallen between two stools*—the qualified medical personnel do not seem willing to serve in the rural areas and the medical profession or at least its high priests do not seem to want to *revive the old system of Licentiate Doctors* (instead of graduate dotctors), *who would b* more willing to serve in rural areas and provide th *level of medical care that bulk of the rural popula tion will be in need of.* Thus the *traditional system are vanishing and the modern are not in positio* Is it beyond the capabilities of the medical fraternit to evolve a medical syllabus at the Licentiate leve which will combine usefully features of modern allo pathic system with worthwhile traditional remedie and cases.

8.9 Could there be *methods by which the reluc tant medical personnel be induced, if not compe led to move into rural areas for medical service fo specified spells of duty?* The Study Group is awa that this problem has been under discussion fro time to time and several suggestions made thoug nothing tangible seems to have emerged. Would it b a feasible idea to suggest that no medical graduat will be able to get his degree and ultimately be elig ble to get himself registered unless he puts in tw or three years of service in a rural area as a doct for which he may be given a provisional registra tions; such service may be under the Government a local body or a private institution or even under private practitioner. Further it may be made a co dition precedent to qualifying for admission to hig er medical courses or for promotion that the canc date must have put in a total of 5 to 6 years of se vice in rural areas (inclusive of the two in three yea under provisional registration). Similar stipulatio must be made in respect of application from medic graduates for going abroad for higher studies or f jobs. Such restrictions may be opposed by t medical profession, as being discriminatory in far as no such restrictions are imposed on oth professions. But then the situation is very acute this field and it therefore calls for special measur Either the medical profession agrees to these or least agree to revive the Licentiate Courses of t type referred by us in the previous paragraph.

8.10. Along with these steps, it would also *essential to provide the necessary infastructure . rural areas to enable the medical and para-medi* *persons to live and work in a congenial atmosphere.* Housing, educational facilities for children, transport and recreation are some of the aspects on which special attention will have to be devoted. Equally, it is necessary to ensure that the work of these persons is not stifled by making inadequate provisions for medicines and other essential requirements for running a dispensary or hospital. These professionals working in out of the way places will have to be given sufficient discretion to incur expenditure upto a reasonable limit without having to enter into protracted correspondence with his official supervisors and others. It may also be worthwhile to *think in terms of paying a country allowance*' to the medical and para medical personnel who opt to work in rural areas; *instead of paying "City Compensatory Allowance"* to those working in cities and are reluctant to move out to rural areas.

8.11 According to the working Group of Social Security of the Economic Administrative Reforms Committee, although the extension and strengthening of the country's health system, particularly preventive and primary health care, had high priority as part of the Plan, *free medical treatment did not however take care of drugs, transport and above all, loss of earnings during sickness.* Under our conditions, the Committee pointed out that it will not be feasible to extend full sickness benefits to the unorganised sector but in one important respect namely, free supply of drugs in Government hospitals, PHCs and dispensaries a greater measure of relief was both necessary and possible. We agree.

8.12 *In the matter of private practice, a realistic approach may be adopted.* The stipulations regarding private practice should certainly be less stringent than those applicable to those fortunate colleagues who are posted in big hospitals and in major cities.

8.13 The Study Group also felt that *those institutions which have been permitted to import costly* medical equipment and medicines without having to *pay the normal import duties, should be compelled to reserve atleast* 10 *per cent of their capacity for the treatment of the poor without any payment. A system of linking rural health facilities with private medical facilities will also have to be established.* The Study Group also emphasises the need for wide spread health education and nutrition education.

8.14 On the subject of health care, the Study Group recognised that the subject could be dealt with in two parts; (i) provision of appropriate and adequate health facilities for diagnosis and treatment of illnesses of the rural poor, including hospitalisation where necessary, such facilities being made available as close to the place of residence of the people as possible; and (ii) income protection by way of sickness benefit in the case of hospitalisation for long periods leading to loss of daily earnings.

8.15 On health care, we have said enough in the earlier paragraphs to emphasise the need for expanding and strengthening the medical facilities (including personnel) in the rural areas. The Study Group considered the feasibility of a health insurance scheme for the rural workers. We have the experience of GIC—operated mediclaim schemes which for operational reasons are essentially urban based and where the premia payable are beyond the paying capacity of an ordinary villager in India; also, the kind of medical benefits that the mediclaim schemes provide are not the type that an average villager may be in need of. A quick exercise which the Study Group requested the GIC to do in this area is (*See* Appendix VII) that a *health insurance scheme for the rural areas is not feasible, both for operational and for financial reasons.* In any event the Study Group was more concerned with the needs of the poorer section of the rural population and *it will be unrealistic of not cruel to expect them to contribute towards a health insurance scheme.* We are therefore not proposing any health insurance scheme for the rural poor. At the same time we are aware that *a national health insurance scheme covering the entire population, without any 'special interests' pockets, will be the best solution;* this naturally will raise questions as to whether all medical facilities should be under the state or private initiative and enterprises in the shape of private (including charitable, etc.) hospital dispensaries, doctors, etc. should be permitted and if so, on what terms. The Study Group does not want to get into a discussion of these controversial matters.

8.16 *As for sickness benefit,* the Study Group will like to approach the problem with caution. While the need for this in rural areas, particularly because sickness results in loss of meagre daily earnings, is not in doubt, we would like to keep the scale and extent of sickness benefit at a modest level. The Study Group will like to *restrict the benefit only to cases of hospitalisation in recognised hospitals; this* will also help in the certification and payment procedures. We examined the question whether any provision should be made by which no benefit is payable for the first few days of hospitalisation. We are aware that such a dispensation exists in the E.S.I. Scheme but we feel that in the case of rural labour, such a provision will result in needles hardship. We are dealing with persons belonging to families whose annual income is less than Rs. 6,400; *to deny such persons the benefit for the first few days of hospitalisation, will be to hit him hard, as he will have to bear some incidental expenses occasioned by his hospitalisation in addition to loss of earnings for those days. The maximum period for which sickness benefit payment will be made can be kept at* 90 *days. The benefit will be at the rate of the prescribed daily rate of minimum wages for agriculture for unskilled work. All persons in the age group* 18 *to* 60 *years may be eligible for these benefits. . .The benelt under this scheme will be restricted to those from families whose annual income will be Rs.* 6,400 *or less.* Given the nature of the problem, it is *nat possible to make any financial estimate of the likely expenditure on sickness benefit.*

CHAPTER IX

Other Benefits

9.1 *Unemployment Relief*

9.1.1. The Working Group on Social Security, set up by the EARC noted :— "Comprehensive unemployment insurance has not been found feasible in India's present stage of development, given the magnitude and nature of the problem although this issue cannot be ignored in principle. The Sixth Plan document estimates the aggregate volume of unemployment in 1980 in the 15—59 age group at 19.17 million persons years (daily status) based on the 32nd Round of the NSS. A compensation of even Rs. 5 per day, which will be roughly half of the wage level for unskilled labour, to the unemployed will amount to an outlay of about Rs. 3500 crores per annum. Moreover, in as much as the bulk of unemployment in India is seasonal unemployment in rural areas, the assessment of "unemployment", identification of the "unemployed", and the extension and monitoring of any comprehensive relief programme will pose severe, if not intractable, problems".

9.1.2. The magnitude of the *twin problem of under-employment* and unemployment is larger in rural than in urban areas. These are the two *basic factors which contribute to the high incidence of poverty and thereby making the poor insecure.* Data indicate the backlog of unemployment has been increasing over the Five Year Plans despite additional jobs being created by various employment generation programmes, during each plan period.

9.1.3. Actually it is lack of employment rather than interruption in employment which is a major problem of the labour force in the country. Therefore *guarantee of work is what is needed in this context.* A number of special employment programmes have been introduced by the Government towards employment generation. These include self employment (through IRDP) as well as wage employment Programme (e.g. NREP, RLEGP, EGS, JRY). The Employment Guarantee Scheme has been introduced only in Maharashtra and to some extent in states of Karnataka and Tamil Nadu which gives guarantee for work. Also there are employment schemes for the educated unemployed and the urban poor (see Chapter III for details). However, the above schemes do not provide guarantee of work, except the Employment Guarantee Scheme.

9.1.4. *A major step* in this direction is the *announcement* by the Nation Front Government to *make "right to work" a Fundamental Right* in the Constitution. It has been stated in Article 39 (a) of the Constitution that the State shall, in particular, direct its policy towards securing that the citizens, men and women equally, have the right to an adequate means to livelihood. According to Article 41, the State shall within the limits of its economic capacity and development make effective provision for securing the right to work.........." *We* therefore *welcome this as a bold and correct declaration,* as employment is perhaps the only way for getting rid of the problems of poverty in the rural areas.

9.1.5 It may be observed that the growth rate of employment is not commensurate with the growth rate of labour force. As mentioned earlier, the incidence of under-employment/unemployment is even more in ruarl areas. Majority of the rural poor, in the absence of assured incomes, have to look for wage or self employment to supplement their meagre income. In the long run absorption of the new entrants to the labour force and fuller employment to the existing incumbents must be through adoption of employment generating growth strategies and technology policies, improving productivity and diversification of occupations in rural areas through rural and agro-based industrial activities. Such *an integrated approach to employment generation and allocation of resources will have to be central to any policy* regarding 'right to work' or 'guaranteed employment'. It is therefore the goal and responsibility of the state to create social and economic conditions under which every citizen who is willing can participate in productive activities through wage employment or self employment to ensure a minimum standard of living.

9.1.6. The Approach paper to the Eighth Plan also points out that the *right to work implies a full employment strategy.* As a part of this strategy, the state should undertake to guarantee employment and to minimum waage in rural as well as urban areas. The viable way to achieve this aim on a sustained basis is to make sure that growth is widely distributed across regions and sections of the population and is of a kind which can absorb the increases in the labour force and the backlog of the unemployment in different parts of the country. For achieving full employment, the pattern of investment has to undergo substantial shifts from high capital/labour to low capital/labour activities except in some high-tech industries.

9.17 It has been recognised that there is need to create conditions for the local population in each village to contribute to development resources. Local contributions are utilized entirely for the development of the contributors' own village, according to the priorities set by them and under their own supervision. This along with an effective social audit will pave the way for productivity rather than the mere size of expenditure becoming synonymous with development. The existence of elected panchayats responsive and responsible to the people will be an important first institutional step from this view point.

9.1.8 We are not dilating further on this or on the need for coupling employment with assured payment of the minimum rates of wages, as other Study Groups of the Commission are specifically seized of these matters.

9.2 *Food Security*

9.2.1 Food security also should be considered as an important component of social security, keeping in view the frequent droughts and the consequent food shortages which adversely affect the levels of living of the poorer sections. We are in agreement with the following observations of the Working Group on Social Security of the Economic Administration Reforms Commission:—

"We would point out that there is a strong case for providing direct relief in cash and/or kind (i.e. grain) in cases of distress arising from unemployment during periods of prolonged and acute drought. The policy towards drought relief has so far largely confined itself to the provision of employment opportunities through rural works programmes. Such programmes are, no doubt, useful but they are rarely adequate to meet the need in terms of their geographical dispersion, continuity, and quantum of relief. In periods of prolonged drought, to which different regions of India are prone from time to time, it accordingly becomes necessary to supplement relief works with some direct payment in cash, or preferably in grain, as a form of employment benefit. We would urge that as a matter of all India policy on drought relief the need for such payments for gratuitous relief as it has come to be called, should be accepted as a minimal form of unemployment relief to be provided by the State for the most acute form in which the contingency manifests itself under our conditions".

9.2.2 India is presumed to have enough food for everybody and the capacity to produce enough to feed its growing population. However, the spectre of food insecurity for the poor continues. Though the main strategy is to aim at increasing the purchasing power of the poor through employment, there is need to provide assured supply of food through a more efficient and decentralized public distribution system (PDS).

9.2.3 Initially the PDS scheme was implemented in urban areas, but since 1970s rural areas are also covered. However, there are variations in the PDS introduced by different state governments.

9.2.4 While our PDS is extensive, there is room for far-reaching improvements in it with a view to expanding its coverage and ensuring access to the needy, especially in rural areas. Equally important is procurement of those foodgrains that are relevant to the food basket of the low income groups. Supplies through the PDS should be supplemented by relevant nutritional programmes such as mid-day meals and related schemes which some state governments already have (for example, the 2 rupee scheme of Andhra Pradesh, Mini Super Bazar Scheme and the Green Card Scheme of Andhra Pradesh, Gram Panchayat Level Societies of Assam, Unnati Vitaran Scheme of Punjab and 2-tier PDS of Gujarat are some of them. An efficient PDS could facilitate improvement in consumption levels of the poor and increase labour productivity.

9.3 *Destitutes and Handicapped*

9.3.1 Certain social assistance schemes exist which provide security to various categories of destitutes/handicapped and others. Most of these schemes have been formulated and implemented at the state level. There are wide variations in the criteria used, the processes of identification and the quantum of assistance given to various categories of destitutes in different states (*See* Chapter III). The assistance is provided on a monthly basis in the form of pension.

9.3.2 The means test, in the above schemes particularly the stipulation relating to very low income ceiling might be raised appropriately to make the range of protection more effective comparable with economic realities of the day.

9.3.3. Considering the existing schemes in various states, the Study Group found that generally the pension is payable to destitutes, with provision for inclusion of physically handicapped persons, widows, etc. below the prescribed age limit (*for old* age pension). The Study Group is of the view that while relaxation of age limit in respect of physically handicapped may be permitted at the discretion of each state, it does not favour relaxation in the case of widows only for the reason that they are widowed. For, such women, including deserted wives and others also, should be enabled to earn their livelihood and for this purpose, a suitable rehabilitation and training Programme should be evolved, which will also tend to set a socially desirable trend. It is also felt that in the context of 'right to work' the handicapped must be automatically eligible for a pension or assistance.

9.4 *Survivor Benefit*

9.4.1 Surviovor benefits are insurance or other compensatory payments made to the families in the case of death of an income-earning member. This form of compensation, while never adequate, can provide crucial help in the bereaved family at the time of its acute distress, provide immediate relief and some help to rehabilitate itself.

9.4.2. The LIC and the GIC provide survivor benefits on a self-contributed basis to policy holders through life insurance and accident insurance respectively. In recent years the LIC has expanded its group insurance by introducing several innovative schemes. Moreover, the amount assured under group insurance amounts to nearly twice that under individual insurance.

9.4.3 Under the Motor Vehicles Act (MVA as amended in 1982) compensation has been made available to victims/families of persons affected in motor vehicle accidents without insisting on proof or fault or negligence on the part of the owner or driver of the vehicle. In the case of hit-and-run accidents, solatium payments have been provided for under a Solatium Fund. Survivor benefits are available under insurance schemes that cover government servants and categories of quasi public employees. In the case of death from occupational hazards, relief is available under the WC Act and ESI Act. As regards unorganised categories of labourers, the above benefits are made available through relief funds set up by some of the state governments. Under these, lumpsum payments are made available to families of victims in occupational deaths in specified occupations such as tree climbing, sewer work, digging or deepening of wells, farm labour, loading and unloading and so on.

9.4.4 Survivor benefits are also provided in the form of monthly pensions that are given by some of the state governments for destitute widows. In some cases additional amounts are given for dependent children. The age limit for eligibility varies in different states. The coverage is however small. The Economic Administration Reforms Commission recommended that all state governments should be persuaded to extend pensions to poor widowed women supplemented with provisions for dependent children.

9.4.5 It may be observed that the *proportion of the total population covered by survivor benefits has been quite small. Atleast* 60 *per cent of our households*, a significantly high proportion, *do not have any form of survivor benefit that can come to the help of a family when it loses a bread-winner.*

9.4.6 It is well known that the protection is significantly inadequate for the unorganised sector and in cases of death or disability arising from non-occupational accidents. Death or disablement resulting from accidents, occupational or otherwise, creates particular hardship on families/victims. The GIC has introduced personal (Janata) and group insurance (Gramin Accident) policies for accident coverage but these schemes have not caught on due to lack of information on the availability of the schemes and the burden for the poor in meeting the premia costs.

9.4.7 It is in this context that the Government of India has introduced a scheme called Personal Accident Insurance Social Security Scheme for the poor families'. The Scheme, introduced in 1985, is a centrally sponsored scheme being operated through GIC and its four subsidiaries. Its objective is to provide a survivor benefit cushion for the rehabilitation of a poor family affected by accidental death (like snake-bite, drowning, food poisoning, lightning, fall from a tree, killing by ciriminals/wild animals, etc.) of its earning member (in the age group of 18 to 60 years) who is not covered for compensation under any insurance scheme or any law/statute. The scheme provides for a relief to the extent of Rs. 3000. The premium for the scheme is paid entirely by the Central Government but the administrative costs for implementation of the scheme within their respective territories have to be borne by the State Governments.

9.4.8 "Poor Family" for the purpose of the above scheme would include (i) All landless labourers and their households, (ii) Households of small farmers with 5 acres of irrigated or 10 acres of unirrigated land or an equivalent combination of the two, (iii) Families of traditional craftsmen, and (iv) House holds engaged in the urban informal sector, in petty production or trade or transport or in domestic or other services whose aggregate annual income is upto Rs. 7200.

9.4.9 So far as the unorganised workers are concerned, group insurance schemes can be thought of. Group Insurance has been widely promoted by the LIC in recent years. In group insurance, the premia cost is relatively low because large groups are covered and administration costs are reduced through the intermediation of a State Government or a society which acts as an agent. Keeping in view the low premia costs and the sum assured under group insurance, it is advisable to have group insurance schemes to various categories of workers in different occupations. In this context, the LIC's group insurance schemes in Gujarat for agricultural labourers, forest workers and for employees in shops and establishments may be referred.

9.5. *Crop Insurance*

9.5.1 Our terms of reference specifically require us to "examine and suggest modifications, considered necessary, in the existing Crop Insurance Scheme, keeping in view the interest of small and poor farmers".

9.5.2 *A Comprehensive Crop Insurance Scheme* (CCIS) was introduced in the country at the commencement of the 7th Plan; it came into force on 1-4-1985, replacing the then exciting Pilot Scheme. The scheme, *despite its name, is not comprehensive for the reasons that (i) the scheme being voluntary* has been implemented in only 17 states and 4 union territories, ignoring the implementation of the scheme only during one or two reasons as in Rajasthan (Rabi 1985-86 and Kharif 1986) and Manipur (Kharif 1987); (ii) the scheme *did not cover all crops* but only food grains crops like rice, wheat and millets (including maize) and oilseeds and pulses; and (iii) *only farmers availing crop loans from cooperative, commercial banks and regional rural banks* for raising the above crops *were covered.*

9.5.3 States like Punjab and Haryana did not implement the scheme, as they felt that the unit size of crop insurance should be brought down to the village level instead of District/Tehsil/Block as at present and that the indemnifiable limit of 80 per cent is not attractive for the farmers. (The limit has been enhanced to 90 per cent in the cases of wheat and paddy crops with effect from Rabi 1986-87 season). Some states have asked for inclusion of other crops like cotton, sugarcane, potato, apple, coconut, etc.

9.5.4 The working of this scheme was reviewed in-depth and critically by a Committee set up in December 1987. The Committee, known as the *Ardhanareeswaran Committee* after its Chairman, has recommended some important changes. The *Working Group on Agricultural Credit and Cooperation (including Crop Insurance)* in the 8th Five Year Plan also had in its Report made some recommendations. A note on the scheme, containing in brief these two sets of recommendations may be seen in Appendix IX.

9.5.5 Even a cursory look at the table at the end of Appendix—reveals the *unevenness in the impact of implementation of the scheme. Gujarat, Maharashtra and Andhra Pradesh* seem to *account for 82.7 per cent of the total claims paid*, up to Kharif 89 under the scheme, and yet, claims to the extent of Rs. 27.86 remain to be paid in respect of these states. Gujarat alone accounts for 55.7 per cent of the total claims paid. Also, it is seen that while in respect of Gujarat, the claims paid worked out to 37.4 per cent of the sum insured, the corresponding figure for the country as a whole (excluding Gujarat) worked out to 6 per cent. The above has been pointed out to stress *the need*, as recommended by the Ardhanareeswaran Committee *to replace the constant premium being charged at present, by different rates of premium based on actuarial calculation per state/per crop/per season.* Also, it is necessary that *an insurance scheme like this must be made applicable throughout the country. Low risk areas like Punjab and Haryana, if left out, necessarily result in the less fortunately placed agricultural areas having to pay a much higher rate of premium*; of course, this problem will get minimised if as pointed out above differential rates of premium state-wise/crop-wise/season-wise, are fixed.

9.5.6 We are *not aware whether the cost of crop insurance is taken into account while fixing the procurement/support prices for agricultural* commodities. We would venture to suggest that *this should be done.* This would also enable the scheme being made compulsory throughout the country, at least for all crops for which such princes are fixed.

9.5.7 Whatever be the changes made in the scheme, the *interests of the small and marginal farmers will be best served only if the present restriction in the scheme covering only loans from cooperatives, commercial banks and regional rural banks is lifted. It is well recognised that not all the small and marginal farmers do depend exclusively on these institutional sources for their finance. As long as the purpose of insurance is to insure against loss of crops and is not an insurance of loan, it is only just that non-loanee farmers, as understood* now, are not made ineligible. The sum insured may be fixed at a specified ceiling figure of Rs. 7500 instead of a percentage of the loan disbursed; this way, *even a prudent self-financing farmer is made eligible to the benefit* of an insurance scheme. Also, the list of crops specified may have *to be expanded* to cover the genuine hardships of the small and marginal farmers who may for a variety of reasons raise crops which are currently not covered under the existing provisions. Administrative and other difficulties, such as having to make arrangements to establish crop cutting machinery, should not be allowed to be urged as reasons, when the very purpose of an insurance scheme is to protect the weak and the vulnerable. We would also urge that the interests of tenants *and share croppers should also be protected* in the case of loss of crop, as they are even more vulnerable than the land owner. *The present system of subsiding their premia upto 50 per cent should continue.* In recommending that Crop Insurance must be available to those taking *loans from* sources other than *the Co-operatives, rural banks and the Commercial banks* as also to those who do not take loans from any source, we were aware that one of the reasons for the present restrictions is the belief that this would help strengthen the existing credit structure and weaken the hold that the moneylenders and others have over the small and marginal farmers. Even so, we think that this *restriction is not necessary, particularly because of our view that what must be insured is the crop and not the loan for raising the crop.* We wonder whether a *system of differential premium rates* can be thought of—one, for the existing clientele and the other, perhaps at a slightly higher level, for those who do not take recourse to the Cooperatives, etc. the case of loss of crop, as they are even more for their credit requirements.

9.6 *Livestock Insurance*

9.6.1 Unlike Crop insurance which we had been specifically asked to examine, Cattle Insurance has not been mentioned in our terms of reference. Even so, we consider that brief reference to this is essential. Appendix X gives a synoptic view of the livestock insurance programmes currently in vogue in our country.

9.6.2. We would like to highlight the following extract from Appendix—to show that *what the insurance seeks to cover is not so much the risk of death or permanent disability of the livestock but the assistance given under the IRDP scheme*: "The progress is not even 10 per cent of the cattle population (cows and buffaloes) ....Besides, the progress made so far in this field is lopsided, confined to coverage of the IRDP scheme cattle only for which premium is subsidised and coverage is compulsory. Even in respect of such coverage, the concerned farmers have not been taking the insurance coverage for their animals once they pay off the loans".

9.6.3 Several major issues and problems in the implementation of livestock insurance programmes have been identified, We are however confining our attention to one suggestion, namely, the one relating to *the role of the village cooperative* "in acting as the agent in its area of operation and interact with the insurance companies on behalf of the farmers; they could also collect premia, help finalise payment of claims and take up steps to provide adequate health care and cattle feed for the insured livestock". We think it is *an excellent approach* not merely to the question of livestock insurance but *for the entire gamut of social and economic security operations, at the village level.* In the context of the suggestion made by the Working Group on Social Security set up by the Economic Administrative Reforms Committee for the *establishment at the village level of Insurance Cooperations*, we think the idea worth while to be explored further to include a wide variety of insurance activities including livestock insurance, crop insurance, etc. We have not been able to work out the details for such a proposal and therefore, leave the thought here for further examination and decision.

9.7 *Existing benefits*

9.7.1 A look at Chapter III and the paragraphs above reveals *the wide variety of* schemes that the individual State Governments/ *UTs have been implementing for specific groups of the population;* the amounts incurred by way of expenditure on each of these schemes vary considerably, depending on the number of persons covered and the level of benefits. Our proposals in the earlier chapters, however, are limited in number, four to be precise, namely, old age pension, maternity benefit, disability benefit and health care cum sickness benefit. The financial outlays required for these four schemes are, however, immense and has no comparison with the amounts currently being spent by the State Governments/Union Territories on similar schemes.

9.7.2 It is *not our intention that*, when the schemes recommended by us are taken up for implementation on a uniform basis in all the States/Union Territories, any *other schemes currently under implementation should be wound up.* We leave it to the *State Governments/Union Territories to examine these other schemes and decide whether they should be continued or whether feasible, made part of the schemes recommended by us with suitable modifications.* The choice must be fully that of the States/Union Territories; *we would however urge that* as far as possible, *the administrative arrangements may be streamlined so as to get these other schemes also under the umbrella of the arrangements recommended by us in Chapter XI, particularly at the block and village levels.*

9.7.3 Our concern is to ensure that duplication and overlap are avoided and administrative costs kept to the minimum; also, a plethora of small schemes directed towards small sections of the population make the cost of administration very high and supervision difficult. It may be prudent to leave the implementation, if not the formulation also, of such schemes to the Panchayati Raj Institutions, with the transfer of the relevant funds to these institutions.

CHAPTER X

Financial implications and arrangement

10.1. *A precise calculation as to the amount of funds required for implementing our proposals contained in the earlier chapters is not ready: it is given more difficult to indicate what will be the total cost and cost state-wise for (any) each of the next 10 years or so. The later will depend on several factors, including demographic.*

10.2. Even so, we have tried to estimate in some of the earlier chapters, as for example Chapter V (para 5.10) and Chapter VI (para 6.9), the likely *outlay of funds* that may be needed in respect of old age pension and maternity benefits. These *are not static figures and will keep changing with time, both on account of members to be covered on the basis of the built in 'means test' and on the need to increase the quantum of benefit to keep pace with the increase in cost of living* We very strongly urge that the increases in cost of living as reflected in the Consumer Price Index for Agricultural Labourers (General Index) as compiled and published by the Labour Bureau of the Ministry of Labour, Government of India, *should be fully neutralised* considering that we are conferring these benefits to the most vulnerable sections of our population. In this context, we may also suggest that *whatever be the levels of benefits that are ultimately decided, it may be on the basis of a particular Consumer Price Index*—say the one prevailing at the time of the decision or at the date from which the recommendations are to be given effect to any future changes in the Index numbers should be taken note of and the quantum automatically raised once every six months Given the past experience, it is not likely that the Index numbers will show a decline in future and in any event is most unlikely to go below the basic index number even so, we recommend that the benefit should under no circumstances be below the quantum that is announced for the base period.

10.3 The *hazards inherent in making even an approximate estimate of the funds involved* is clear from the following. In the case of old age pension he had worked out (*vide* para 5.10 above) the number of beneficiaries to be 1.41 crores. The Ninth Finance Commission had in para 2.78 of its Report stated that "provision for old-age pension has been made by allowing a pension of Rs. 100/- per month to 0.2 per cent of the population of each state as per the 1981 census' No reasons are available as to how this figure of 0.2 per cent was arrived, unless it is based on the actual number of beneficiaries covered by the OAP scheme in the different states; but as may be seen from para 5.3 above much reliance cannot be placed on these figures. If we discount for the number of cases pertaining to urban areas, then this percentage may be even lower. It is true that the Study Group has made only a very rudimentary estimate but it believes that the order of magnitude indicated by it is not very much off the mark. Be that as it may, we can only go on the basis of broad estimates.

10.4. While the funds to provide social security benefits to the workers in the organised sector are collected largely, if not wholly, from the employers themselves and/or their employees, the same arrangements cannot be made in the rural unorganised sector. The reasons for this are two fold, firstly, the levels of earnings are so low and irregularity of earnings so acute, that one cannot operate a system based on regular periodic contributions; secondly, the nature of employment and its duration are so uncertain and changing, that there is no particular employer who can be identified as the employer of a rural worker and on whom the responsibility of collecting the contributions or premium can be assigned. These factors militate against formulation of insurance type of schemes or employers liability schemes, as far as those sections of rural population are concerned. Therefore, the State must bear the major, if not the entire portion of the cost of rural social security benefits. They will, for quite some time more, be social assistance scheme. In face, we feel that implementation of social security schemes for the rural poor on the basis of social insurance or employers' liability will involve far more accounting and administrative cost, besides the likely harassment and delays that such schemes, if experience is any guide entail.

10.5. As regards the arrangements necessary for funding the various schemes, the Study Group recognised that the requirements of funds will be very large. We have in Chapters V and VI above given a rough estimate of the annual outlays called for in respect of old age pension and maternity benefit schemes. These if anything, are likely to be on the conservative side and in any event, when the scale of benefits is raised and when adjustments are made in the quantum to neutralise fully the increase in the prices of essential commodities, the annual requirement of funds is bound to increase year after year.

10.6. The Study Group also did not consider it necessary to include the above schemes in the Plan. It noted that all the existing schemes are non-plan and excepting for the LIC/GIC Schemes, the expenditure on the rest of the schemes is borne by the State Governments. Also, inclusion in the Plan does not really help, as the expenditure incurred on these at a particular level of activity will be committed expenditure and become the non-plan expenditure in the succeeding plan period.

10.7 *In providing funds for the above schemes, the Study Group considers it appropriate that the Central Government meets* a portion one-half-of the total expenditure, the balance is to be borne by the State Governments/Union Territories. In making this recommendations, we are fortified by what the Working Group on Economic Security of the EARC stated in respect of old age pension. We quote. "We would recommend that the Centre shou'd take a major initiative to promote a reformed and enlarged OAP scheme and provide a due measure of financial support to the States for securing its implementation". The Working Group further stated: "An appropriate scheme of financing between the Centre and the States will have to be devised. We feel that such a scheme should be so structured that the lagging States should be induced to increase their expenditures and inter-state differentials are eliminated in the course of the VII Plan. This can be done if the States are called upon to bear an initial amount of Rs. 5 per capita from their own resources with the Centre coming forward to meet the second slab of Rs. 5. At present only Kerala has an outlay exceeding Rs. 5 per capita (*Vide* Table 4). It will be equitable if the Centre were to meet the excess over Rs. 5 per capita in Kerala's case as well".

10.8 We are of the opinion that the four schemes detailed in Chapters V, VI, VII and VIII above may cost nearly Rs. 2500/- crores (Rupees two thousand five hundred crores) annually. (We are aware that we have not worked out, because of inherent difficulties, likely expenditures on disability benefits and sickness benefits. We are therefore making a very rough addition of about 25 per cent in respect of these two schemes over the estimated expenditure on O.A.P. and Maternity Benefits and rounding off the figures).

10.9 This order of outlay, though large in absolute terms, works out to about Rs 30/- per capita per annum or less than Rs. 3/- per month. In terms of revenue expenditure of all states and centre, put together, it will not be even 2 per cent. Surely, one cannot raise any objection to this relatively modest demand on the public funds for a cause which directly benefits the most disadvantaged sections of our population who had been deprived of such assistance over long years. These programmes wi'l give back to the rural areas, through these deserving poor, a portion of what have been taken away from them over the years by the urban areas. We therefore, recommend very strongly that these schemes be taken up for implementation in all these states in a uniform manner and that 50 per cent of the expenditure on these schemes in each State/Union Territory is met by the Central Government from its funds. In releasing its share of the expenditure, the Central Government may prescribe certain maximum levels of expenditure towards the administrative costs of these schemes and regu'ate release of its funds on that basis. This will ensure that cost of administration are kept within bounds by all State Governments/Union Territories.

10.10 The Study Group, at one stage, considers the desirability of taking up these schemes for implementation on a pilot basis—say one or two districts in each state, or in one or two block of each district in a state. This was not pursued, as the need for such schemes was not in doubt and also, implementation of these schemes does not call for such expertise as could be developed only through pilot projects. More importantly, poverty being so widespread in all the rural areas in our country, no particular pocket or pockets could be identified for this in preference to other areas. Prudence and equity demand universal coverage and that is what we are recommending.

10.11. We now come to what we consider as the most difficult part of our work. We are aware that the National Commission would expect us to indicate the sources from which we expect the funds for the large programmes of social assistance recommended by us to be raised. It is easy to suggest that funds for the programmes should have to be found by the Central and State Governments even if it meant that other programmes would have to suffer a cut; in a sense, we think that this is not a facile suggestion. After a'l, these poor people, men and women, have stood deprived of minimal levels of human existence for so long that they have the top most priority in any scheme of civilised governance and therefore it is only appropriate that their requirements are first met before other demands—committed, continuing or otherwise—line up for satisfaction. Such a discipline will also compel the government and the administration to really exert themselves in keeping the other activities going, activities which seem to evoke a more sympathetic response from the powers that be.

10.12. We would also recommend the following suggestions for consideration of the governments to augment their revenues. We are not indicating whether certain items of revenue should be earmarked for specific programmes or purposes but we are confident that the Governments will not let the programmes for the poor and the needy to take a back seat on the pretext or plea of shortage of funds. We suggest:

(a) A social security surcharge on income tax and corporate tax;

(b) An additional excise duty—say 5 per cent over the existing levels—on all products of agro-based industries (agro-based being interpreted to include horticulture, fishery, dairying, animal husbandry, forestry etc.);

(c) A small levy from farmers—say 2 per cent of the procurement or support price—on all commodities in respect of which support prices are fixed;

(d) A rationalisation of the land revenue structure, water charges for irrigation, electricity rates for irrigation, so as to compel the bigger farmers to pay the economic price for irrigation and electricity and for an escalated land revenue in respect of holdings above the size of the average holding in the state;

(e) A surcharge on registration and stamp duties in respect of transactions relating to rural property;

(f) Additional sales tax—say 1 per cent more than the prevailing rates;

(g) A tax on advertisement in the print media, hoardings, on TV/Radio, etc.

10.13 We are not in a position to estimate even approximately how much additional revenue that each one of the above measures will generate; nor are we in a position to indicate how much of these additional levies will accrue to the Centre and how much to the States, particularly in respect of (a) (b) and (g) above.

10.14 The system of financing these and other social security benefits, particularly in the rural areas where it will continue to be state assisted for quite some more years, can be either on a pay as you go basis or on a funding basis. We would recommend the adoption of the funding basis, by creating a Social Security Fund, at the Central level and at the level of each State/Union Territory, to which will be credited the relevant budget provisions and the receipts under the different levies and taxes, of the type indicated in Para 10.12 above. The creation of such a Fund avoids the year to year uncertainty that budget provisions may entail; the unspent amounts will also not lapse at the end of the financial year; it also enables the funds to be invested, the returns from which could also take care of the indexation of the benefits consequent on increase in prices. The administration of the Fund can be by a Board of Trustees or can be entrusted to an existing agency like the UTI or LIC, with the authority to make such investments as would maximize the income of the Fund. A substantial Fund, at each level, can be built up over a period of time; in the initial years, of course, the Fund will depend mainly on budgetary support, but with the levies also getting funded and with the receipts under such levies becoming more and more as the years go by, it is expected that the Funds will become viable. The management of the Fund by the Trustees or by the designated agency does not mean that the managers will also be responsible for the disbursement and administration of the benefits; the latter will be the responsibility of the relevant administrative agencies at the different levels, as discussed in the next chapter.

CHAPTER XI

Administrative Arrangements

11.1 The various recommendations and suggestions made by us in the earlier chapters do not necessarily involve legislation. There are of course observations and recommendations pertaining to maternity benefits, (Para 2.15) workmen's compensation (Para 2.13), etc., that may call for legislative amendments to the existing laws, essentially for expanding the scope and coverage under the present laws; to the extent statutory welfare boards, tripartite systems with power to impose and recover levies, etc., are to be set up, legislation will be necessary; also, if social security is to be provided to the rural poor through insurance schemes, may be legislation will be called for. But the *bulk of our recommendations* and the more important ones pertaining to old age pension, sickness benefits, maternity benefits and disability benefits, which are to be public assistance programmes in our scheme of things,—*do not call for legislation.* They can be, as some of these are even currently under implementation though a very much modest scale, taken up for implementation under executive instructions. What is necessary to ensure is that these measures are taken up for implementation in all the States and Union Territories on a uniform basis; that the Central Government will meet 50 per cent of the expenditure on these schemes as grants to States, should enable such uniformity to be ensured.

11.2 One of the first steps to be taken in this regard is, in our view, *the creation at the Central level in the Government of India of a Department or Ministry of Social Security.* At present, bulk of the social security activities in our country pertain to the organised sector of the industrial work force and to the employees of the Central and State Government and local bodies. The Ministry of Labour *mainly* through the ESIC (in terms of medical care and sickness benefit) and EPF organisation (in terms of provident fund, family pension and deposit linked insurance) oversees the bulk of the social security activity; implementation of the Payment of Gratuity Act and the Maternity Benefit Act (in the central sector) is the responsibility of the Chief Labour Commission under the Ministry of Labour. The Workmen's Compensation Act is wholly with the State Governments. We think it is time that we looked at social security *in an integrated manner, for all sections of the population.*

11.3 *Compartmentalised approach,* as at present, *has* in our view, *contributed not a little to the neglect of the rural sector and more particularly the rural poor. If a single department or ministry at the centre were to took at the whole gamut of social security in an integrated manner, then, perhaps, the rural poor would also have had, by now, a place in the sun. Excepting perhaps for the Armed Forces Pension administration, there is no reason why all pension schemes, social security schemes, welfare schemes, etc. cannot be thought under a single agency, preferably under a Ministry of Social Security and Welfare. This will enable a more equitable approach to these problems—the top sided development* of benefits to certain sectors where the employees may get provident fund (contributory or otherwise), gratuity and pension on the one hand as opposed to total denial of any benefit to the vast numbers, partcularly in the rural areas, of the more deserving *will hopefully, sensitise the administration to the problems of the more deserving and the need for more equitable dispensations.* We would therefore recommend the creation of Ministry of Social Security and Welfare in the Government of India. Questions such as should the Seamens Provident Fund be transferred to this Ministry or should the Department of Insurance (or at the least the subject of Life Insurance and certain aspects of General Insurance such as accident insurance, cattle insurance, crop insurance, etc.) now under the Ministry of Finance should be transferred to this Ministry or should all statutory Welfare Funds now under the Ministry of Labour be also transferred to the Ministry or should the subject of pension, be transferred to this Ministry from the Department of Personnel, Public Grievances and Pensions, are all matters for detailed examination and decision. But the basic point to be borne in mind while creating this new Ministry is that the allocation of work is such that it facilitates integrated treatment of the subject of social security and pensions.

11.4 The working group on Social Security set up by the Economic Administrative Reforms Commission had also suggested the need for a nodal agency at the Centre and in the States; but they did not go as far as we have gone. An extract from their report is at Appendix XI.

11.5 *A logical corollary* of such an arrangement at the Central level *will be the need for integration at the level of the states.* Currently, a large number of states have different kinds of welfare and social security programmes, designed to cover different sections of the populations, on the basis of varying criteria and with varying levels of benefits. Most of these are totally state assisted while some provide for contribution from the intended beneficiaries, the latter being few and far between. Quite a large number of state government departments such as Labour, Rural Development, Revenue, Welfare, etc. are involved in the implementation of the schemes. It has not been possible for the Study Group to ascertain whether this diversity has added to the cost of administration of schemes. It is, at the same time, to be recognised that the unit cost will go down where the coverage is large; on the other hand, the cost may go up depending on the intensity of work, particularly in schemes like those relating to maternity benefit. For example, it has been stated by SEWA Ahmedabad that the cost of implementing the scheme of maternity benefit in one block of Ahmedabad District worked out to Rs. 166/- per woman beneficiary; this is not a small amount and if,as estimated in para 6.9, the number of maternity benefit cases, works out to 6.24 millions in a year, the administrative costs for the country will be a staggering Rs. 140 Crores annually. Then there are various other schemes recommended by us, all of which will add to the administrative cost. The need therefore is to work out a system by which the cost of administration is kept at a reasonable level. This can be achieved if we avoid multiplicity of agencies and functionaries at various levels, starting from the State Headquarters and going down to the village. It may be *advantageous to set up in each state a Social Security Authority* which will comprise the representatives of the different State Government Departments concerned like labour, welfare, rural development, finance, revenue etc. representatives of selected social service organisations and of Panchayati Raj Institutions, a few legislators, a representative each of the LIC and the GIC and a representative of the Central Ministry of Social Security *and welfare as its chair person with the State Minister in charge of social security.* Pending integration of various schemes and programmes and we are aware that this is not a easy task not merely for administrative reasons this *Authority will oversee the working of various schemes, review the allocation of funds for the different schemes determine* priorities and give policy guidelines and directions *wherever needed.*

11.6 Below the State Headquarters, at *the level of each District, a similar body* may be set up *with the District Collector as its Chairperson.* It will be the responsibility of this Body to coordinate the activities of the various agencies and departments, designate persons as the claim varifying and disbursing authorities at the different levels, lay down detailed procedures on the basis of guidelines and directions that may be issued by the State level Authority and ensure the effective implementation of the schemes. In doing these, the *District level body should have the authority to redeploy existing functionaries so as to avoid duplication and overlap. Most importantly, the District level Body should work in tandem with the Panchayati Raj body at the District level and through the Panchayat Samitis and Panchayats. We attach considerable importance to the need for involving the Panchayati Raj institutions both in* the formulation of schemes and in their implementation particularly at the village level. We feel that in the matter of selection of beneficiaries and their identification at the time of disbursement, the local knowlege of the Panchayat members will be of paramount importance. We will have occasion to refer to this aspect again when we elaborate on the set up required at the village level.

11.7 That brings us to the *operative level of our* recommendation, *namely, the village and the immediately next higher level.* We are of the view that while *the payments to be made to the beneficiaries must generally be at the village if not at his door step, the approval of the list of beneficiaries, approval of claims, sanction of funds and over seeing the actual implementation must be at the next higher level, say the Panchayat Samiti.* There is *no need for any higher level, authority* above the Panchayat Samiti to come into the picture, *for purposes of implementation.* The Study Group considered the following guidelines to be essential in the implementation of such programmes:—

(i) The cost of administration must be minimal,

(ii) The procedures must be simple, flexible and not bureaucratic,

(iii) Beneficiaries and their representatives must be associated with the implementation of the schemes.

(iv) The system should be such as would prevent misuse, harassment and corruption,

(v) The delivery of benefits must be at the level of the village,

(vi) At the higher levels—block, district and state—there should be no proliferation of agencies/departments. The present vertical division in terms of Harijan Welfare Department, Backward classes Welfare Departments and so on must be done away with at the levels of the Panchayat Samitis and the Panchayats; here, the single window concept must obtain,

(vii) Non governmental organisations at the local and higher levels should be encouraged to associate themselves with the implementation of the programmes.

11.8 *The main problem* in implementing major programmes of social security of the type we have recommended namely, old age pension, maternity benefits, etc. where the numbers may run into millions for the whole country, *lies in identifying the beneficiary.* It is also to the extent that the *criteria, for eligibility* are *simple and straightforward that it can expect a reasonable measure of success in implementation.* Our criteria in respect of the four benefits contained in Chapters V, VI, VII and VIII are, in our view, simple and straightforward. Even here, the *main difficulty* will arise *in ascertaining the income levels of the persons to ensure* that *undeserving cases do not get in and deserving categories do not get left out, consequent on local pressures and prejudices.* In our discussion with certain reputed field workers like Shri Prem Bhai, Shri Krishnaswamy and Shri Padmanabhan, it was pointed out that the selection of beneficiaries, now being done under the IRDP, has always not been fair and proper. One of them suggested that the District Magistrate must himself visit 100 villages in a year, spend some time in each village, talk to various interest groups and ultimately select 10 most deserving persons for purposes of benefits under IRDP. Another felt that income criteria for identifying the deserving poor can be replaced by criteria based on food intake. Yet another view was that caste Panchayats which even now do exist in villages may be requested to assist in identifying deserving families for any specified purpose and it was his view that such Panchayats can be trusted to select the truly deserving. There was also the view that the Gram Sabha is the best instrument to identify the deserving families and their choice, expressed at an open meeting, is preferable to selections made by the official agencies with the help of the village officers and the representatives of the political party which happens to be in power at a given point of time. *It may not be possible to evolve a system that is fool-proof* but given the experience so far and considering the relevance of Panchayats at the local level as organs of 'local government', *selection of persons as beneficiaries under a given set of criteria is best left to be made by the Gram Sabha at an open meeting and to have the lists periodically revised,* say twice a year or once a year. We are aware that the income criteria are not the same for all the schemes and would therefore suggest that the criteria for each category should be made known to the villagers in advance and also at the specially convened meetings of the Gram Sabha. Perhaps, *a variation of this system could be the preparation of 'provisional lists'* by the Panchayat in consultation with the village officials and to leave it to the Gram Sabha to make such changes to the list as it consider necessary. This suggestion may be criticised on the ground that a list prepared by the Panchayat will be prima facie suspect and that the Panchayat will exert its pressure and influence to get it ratified by the Gram Sabha. No. system is *likely to the beyond criticism and the only safe guard will be to have the lists approved by the next higher authority i.e., the Panchayat Samiti on the basis of a sample checks; prima facie inclusion of non scheduled castes, non scheduled tribe families in the list, more particularly those belonging to the so called forward communities, will call for scrutiny* or a *second look.* We are aware that *we are not writing on a clean slate and should* therefore *caution against undue concern about a few undeserving cases getting included in the list of beneficiaries.* We are also aware that there *may be a tendency on* the part of the village level authorities *to be liberal in identifying the beneficiaries, particularly when* they know that *the funds are being provided by the* Government and this may result in ineligible persons—ineligible in terms of criteria of age, income disability etc.—being made eligible to receive benefits. This is not unlikely and we think that the overseeing agency at the Panchayat Samiti level and the monitoring agency at the District level will have to exercise the *needed vigilance to ensure that marked departures from the expected norms do not take place.*

11.9 While on the subject, we would like to refer to a suggestion made by Shri Ram Desai of Mumbai Kamgar Sabha according to whom the entire responsibility for administering social security schemes as also economic security schemes like employment guarantee or cattle insurance or crop insurance must be entrusted to tripartite bodies, set up under a central law, at various levels, with "voluntary service organisations and social workers in respective regions given more responsibility in this sphere of activity"; these Boards, according to Mumbai Kamgar Sabha, must be patterned on the Boards set up in Maharashtra under the Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969. We have given careful consideration to this proposal. While we appreciate that, given the nature of tenuous, short duration 'employer—employee relationship that exists in the unorganised sector, particularly in rural areas, it becomes necessary to think of alternate forms of legal and organisational frame work, yet *perhaps it is a little too soon to think of tripartite systems across the board for all the workers in rural areas.* We are aware that currently steps are underway to create such tripartite bodies in respect of the constructions industries already such arrangements are in vogue for headload workers (mathadi labour) in certain cities of Maharashtra and in some other states, based on appropriate legislations at the state level; similar tripartite arrangements have also been suggested for home based workers. Notwithstanding these, as far as the entire unorganised work force in the rural areas are concerned, we do not think it feasible yet to adopt such systems. We may *not* be understood as *rejecting the feasibility of tripartite system for the unorganised sector for all time to come. We are only too conscious that there may not be any long term escape from that; it is neither feasible nor desirable to keep workers out of implementation of programmes and schemes undertaken ostensibly for their benefit.*

11.10 We would also like to make *a suggestion that may be considered novel or even outrageous.* There are a large number of voluntary agencies doing excellent, dedicated social service in different parts of the country and it should not be difficult to *identify a few* of these in each state. Will it not be good idea if the *implementation of all the schemes* meant for the Welfare of Rural Workers and Rural Poor, *in a particular Panchayat Samithi area or* a Taluk be *entrusted to a specific voluntary agency* subject to over all supervision and guidance of the higher level

Governmental and Panchayti Raj agencies. The staff currently employed in the diverse departments (excepting those relating to medical care) in the implementation of the transferred activities at the Panchayat Samiti level and below may be withdrawn or put under the control of the voluntary agency concerned. Appropriate terms and conditions can be negotiated with the voluntary agency. The relationship between the voluntary agency and the Panchayat Samiti/Panchayat require to be carefully worked out; in fact the choice of the area and the voluntary agency will depend on the likelihood of healthy relations being built up and maintained by the two. This 'experiment' will enable us to see whether in financial terms, the cost of administration is more or less under the voluntary agency system and whether in operational terms, the guality of service, selection of beneficiaries, timely rendering of assistance, rapport with the beneficiary groups, etc. the voluntary agency system has any advantage over the existing departmentalised arrangements. The voluntary agency may be underpinned by an advisory committee which, should include representatives of the beneficiaries. We are not making this suggestion in any light-hearted mood. We consider that *such experimentation will be really in the larger interests of the intended beneficiaries and may also lead to reduction of administrative costs and improvement in the guality of service. There can be variations of the scheme suggested by us; let different patterns be tried out and the relative merits of each assessed.*

11.11 In accordance with our approach the procedures must be simple, the administrative costs low and the benefit must reach the people for whom it is meant, we would recommend that the *old age pensions and the disability benefits must be disbursed at the door steps of the benefeciaries in the presence of witnesses; the maternity benefits* must be *disbursed to the beneficiaries at the time she visits the ANM of sub centre* for her periodic check ups, this also in the presence of the ANM. *As regards sickness benefits,* it may not be always feasible to make the payments at the hospital and therefor a procedure *may be evolved by which the entitlement may be disbursed at the village to the beneficiary* in the presence of witnesses *on his return after discharge from the hospital.* A suggestions was made as to whether we cannot have the entire payment made through cheques or credited to the bank account to be opened for each beneficiary; while this may be an ideal solution to the problem of harassment, underpayment etc., we think that such a solution on a universal basis will have to wait for quite some more time: meanwhile *if any one desires payment by cheque or to his/her bank account, such a request must be complied with.* Whatever be the method, we *strongly recommend the 'single-window' approach which will obviate the need for the beneficiary to run from pillar to post in quest of his meagre benefits.*

11.12 *The administrative arrangements suggested* above are essentially suitable or *designed for a system of social security based on the principle of social assistance and not on social insurance or employer's liability.* Given the nature of the target groups in respect of old age pension and maternity benefit, the nature of the coverage in respect of disability benefit and sickness benefit and the standardised payment systems proposed, these arrangements should suffice. However, *in respect of social security schemes which are based on the principles of social insurance or employer's liability, the administration and accounting procedures may call for a more sophisticated system:* the collection of premium, provision of benefits commensurate with the levels of premium paid, procedures for verification of claims, etc. are matters calling for an elaborate system; experience of crop insurance schemes, live stock insurance schemes; workmen's compensation cases and the like may be cited as pointers in this regard. *It is in recognition of these difficulties that the Study Group has, by and large, gone in for schemes based on the social assistance principle; also the need to cover the weakest of the weaker sections of our population in rural areas could not admit of any other basis for providing them with a medium of social security.*

11.12. *In the long run,* however, when the general levels of living of our people improve along *we may consider introducing the social insurance principle for providing social security.* This will with the earning levels of people in rural areas, be necessary both for providing the needed funds for such schemes and for inculcating in the beneficiaries the spirit of self help based on contributions. *At that stage,* we may, as suggested by the Working Group on Social Security set up by the Economic Administrative Reforms Commission, *think in terms of promoting Insurance Cooperative Societies at the village level* which will undertake the responsibility of collecting premium for the different types of insurance schemes including schemes like Crop insurance, Cattle insurance, etc., of verifying claims and of paying out the amounts due to the insured persons. That day, we hope, will not be long distant. Meanwhile, schemes based on insurance principles such as Cattle insurance and Crop insurance may be continued with the existing arrangements for collecting of premium, settlement of claims, etc.

CHAPTER XII

Summary of Conclusions and Recommendations

1. In making our recommendations, we have not adhered to any time frame; we are recommending only a first step in the task of providing complete and integrated social security to all our people, thus making the Directive Principles of State Policy in Part IV of our Constitution a reality. (Para 1.10)

2. Despite the fact that refreshingly modern concepts of social security and social assistance were known and practiced in ancient India, in the recent past the state has generally been more concerned with the problem of the industrial work force even though they constituted only about 10 per cent of the total work force *The rural poor including the rural workers suffered, till recently, by "benign neglect".* (Para 2.3)

3. Even the elaborate provisions of some of our social security and welfare laws in respect of the organized work force have not been adequate to ratify Convention 102 of the ILO relating to Minimum Standards of Social Security, thus revealing the enormous leeway to be made in respect of the rural workers. (Para 2.18)

4. Within the existing legal frame work, the Workmens' Compensation Act, 1923 will have to be amended, particularly in the matter of the definition of the term "Workmen" to cover all the rural workers The proposals recently mooted by the Ministry of Labour for further amendments to the law, including compulsory insurance and obligatory medical care by the employer, are also endorsed. (Para 2 9.2 & 2.9.3)

5. The existing schemes of social security, particularly for the organized sector, are basically income maintenance schemes There is greater need in India, particularly in respect of the rural workers, for income support schemes. Unless a person has an employment and/or a source of income the question of maintenance of his income does not arise. (Para 2.20)

6 There are currently, even in respect of the rural workers and the rural poor a wide variety of schemes of social assistance. The coverage of these schemes is not uniform and the benefits are also not the same in all the States. Some insurance schemes are also implemented by the Life Insurance Corporation of India and the General Insurance Corporation of India. (Chapter III)

7. Several administrative and accounting difficulties are involved in collecting premia and administering benefit from large numbers in the rural areas. Also, their low income levels do not enable them to pay even a modest contribution by way of premia. Therefore the programmes will have to be based on social assistance (Para 4.20)

8. It would be unrealistic to exclude wholesale the self employed categories bulk of whom may be only marginally less well off than the agricultural labourers. (Para 4.4)

9. All women in rural areas are workers either in a formal sense or in the sense of doing unpaid household work which in several cases contributes substantially, and in some cases wholly to the family income. (Para 4 5)

10. We must begin with *destitutes* in respect of whom *relief should be a social obligation to be borne by the State* along with a phased programme of implementation. The *most deserving should not* be relegated to the position of being *"residuary beneficiaries" of funds* if any available after all other demands have been met. These people *must be accorded the first priority in the allocation of funds;* they have waited for over four decades after Independence and it is time that their needs received the first priority. (Para 4.8)

11. Refinements of categorisation and subcategorisation, on the basis of occupational categories of rural labour, may not be relevant to the purposes we have in view. Categorisation of workers for purposes of conferring benefits may not be feasible, as each category will have its own list of weakest persons. (Paras 4.9.3 & 4 9.4)

12. The Study Group agreed that the following minimum social security benefits are to be provided as a matter of high priority:

(a) old age pension;

(b) maternity benefit;

(c) disability benefit and

(d) minimum health care and sickness benefit. (Para 4.11)

13. While social security is in a sense a relatively simple concept, the same cannot be said of economic security; even the remedies and solutions are more complex. A distinction can be drawn between the economic security needs of the self employed and those of a wage earner. (Para 4.13.1, 4.13.2)

14. Employment is the foremost element in social security. The decision to include Right to work as a Fundamental Right in the Constitution is a step in the right direction. (Para 4.13.3)

15. Even in the organised sector, there are certain features which militate against the employment of people belonging to the disadvantaged sections of the rural population. The caste factor effectively prevents several sectors of the rural poor from getting the benefits of various government schemes and programmes. The study group noted with regret that despite reservations, the required percentage of SC/ST appointees has been consistently falling short in the higher echelons of administration. More serious is the emerging trend in several public sector establishments and in some establishments in the private sector where jobs are reserved for the children or nominees of employees who retire from service. (Para 4.13.4)

16. Coupled with employment is the question of minimum wages; guaranteed employment and an assured rate of minimum wages are the twin safeguards that contribute most to economic security in rural areas. Nothing can eradicate poverty faster or more surely than the combined affect of these two factors. (Para 4.13.5, 4.13.6)

17. The burden of the past hangs heavily on the shoulders of the rural poor in the form of indebtedness. Small and marginal farmers who may not take loans from cooperatives, etc. require urgent attention in the matter of their indebtedness. (Para 4.13.6)

18. Food security is a crucial element in economic security. The Public Distribution System must be extended and strengthened. A system of payment of wages in kind, at the option of the worker may be encouraged. (Para 4.13.7)

19. Loss of assets due to natural disaster or by acquisition (in the case of land) and consequent displacement may affect both self employed persons and others; a sub-category whose claim for relief gets generally overlooked in such contingencies, includes tenants and share croppers. Another aspect of the problem relate to claims under crop insurance which cover only cases where loans have been obtained from cooperatives, commercial banks and rural banks. The economic security of this strata of our people will depend on the speed and completeness with which their hardships are removed and they are enabled to resume their avocations at least at the low level they had, before disaster struck them. (Para 4.13.8)

20. In the case of loss of lands due to acquisition for projects, the remedy should lie in trying to avoid acquisition of loans belonged to the small and marginal landholders, but also, where acquisition is unavoidble, to compensate them by an equivalent extent of land. Where the project is for irrigation, the needed land must be obtained from the beneficiaries of the project. The needs of the tenants and share croppers should also be taken note of. (Para 4.13.9)

21. Provision of a house site for each family of the rural poor who do not own house sites is a very important element of economic security. (Para 4.1310)

22. The views and recommendations contained in the two statements in Appendix V and Appendix VI deserve serious consideration. (Para 4.13.11)

23. Old age pension at Rs. 100/- per month be paid to all males and females above the age of 60 subject to income limits prescribed in Para 5.8.3. (Para 5 6)

24. Implementation of a scheme of old age pension, based on food consumption criterion for purposes of eligibility will be a difficult and controversial one. (Para 5.9)

25. Destitutes and handicapped persons, even if below the age of 60 may continue to be covered. (Para 5.8.5)

26. The cost of the old age pension as drawn up is estimated to be about Rs. 1700 crores annually (Para 5.10)

27. All rural women above the age of 18 and belonging to families whose total annual income does not exceed Rs. 6400/- will be entitled, up to a maximum of two live births, maternity benefit for a period of 6 weeks for each birth and the amount of benefit will be at the daily minimum rates of wages for unskilled labour in agriculture. The period of benefit must he raised from 6 weeks to 12 weeks in a space of five year. (Para 6.5, 6.6, 6.7, 6.10)

28. Maternity benefit payment partakes of the character of both income protection and income support. (Para 6.4)

29. A woman seeking maternity benefit assistance should register herself with the local Auxiliary Nurse Midwife within 4 months of her pregnancy; this would also provide the needed linkage with the public health system. (Para 6.8)

30. The total expenditure in a year for implementing the scheme of materinty benefit will be about Rs. 230 crores. (Para 6.9)

31. Disability benefit, in respect of all cases of loss of earning capacity of 70 per cent or more, and not necessarily occupational or employment related, must be available, on part with old age pension and subject to the same income criterion, to all the eligible presons between the ages of 18 and 60 years. (Para 7.3, 7.4)

32. It is not possible to make any estimate of the likely financial outlays that the scheme of disability benefit will entail. (Para 7.6)

33. Rehabilitation of the disabled calls for enhancement of the existing efforts (Para 7.5)

34. Health is perhaps a very reliable indicator of the state of economic and social security obtaining in a country. (Para 8.1)

35. The provision of 'Health for All' by 2000 AD appears a distant dream. Inadequate medical and health facilities in the rural areas are compounded by the reluctance of medical personnel to serve in rural areas. (Para 8.4, 8.5)

36 There is need for optimum utilisation of available medical facilities; the long term approach must be to do away with 'special interests' medical facilities. (Para 8.5)

37. Various measures including the payment of a country allowances' are called for to improve the situation in rural areas. (Para 8.7 to 8.13)

38. A Health insurance Scheme is not feasible in the rural areas, both for operational and financial reasons. A national health insurance scheme covering the entire population, without any special interests pockets will be the best solution. (Para 8 15)

39. A scheme of sickness benefit, to compensate for loss of earnings arising out of illness, is recommended, under which all rural persons within the age group 18 to 60 will, on hospitalisation in a recognised hospital, be entitled to the benefit for a maximum of 90 days, at the rate of the daily minimum wages for unskilled labour in agriculture. The benefit will be restricted to those from families whose annual income is less than Rs. 6,400. (Para 8.16)

40. The wide variety of schemes that individual State Governments/UTs have been implementing for specific groups of population should, wherever possible, be integrated with the schemes prepared by us; also, the administrative arrangements may be streamlined to avoid duplication and overlap. The implementation of such schemes may be entrusted to the Panchayati Raj Institutions. (Para 9 7.1, 9 7.2, 9.7 3)

41. The Comprehensive Crop Insurance scheme is not comprehensive for several reasons. The scheme must cover all States and all crops. (Para 9.5.2)

42. There is need to replace the constant premium being changed now by different rates of premium, based on actuarial calculations, state-wise, crop-wise and season-wise.

43. Cost of crop insurance must be taken into account, if not already done, in fixing procurement/support prices of crops. (Para 9.5 6)

44. To take care of the needs of small and marginal farmers as also of tenants and share croppers who may not have taken loans from cooperatives, rural banks and commercial banks the list of crops covered must be expanded, administrative machinery for crop cutting experiments strengthened and the insurance cover extended to them irrespective of the source of financing. If necessary, a scheme of differential premium rates can be thought of (Para 9.5.7)

45. A scheme of setting up village level insurance cooperative societies can be thought of. Such societies will be the local agencies for collection of premium on all types of insurance schemes, processing of claims and disbursement of claims. (Para 9.6.3)

46 A precise calculation of funds required for implementing various schemes of social security is not easy. In any event, the amount will undergo change each year, depending on the number of persons covered, and the changes in the level of benefits. The monetary quantum recommended must be revised once in six months on par with the increase in the Consumer Price Index numbers, on the basis of full neutralisation. Para 10.1, 10.2)

47. It is not considered necessary to include the schemes in the Plan. (Para 10.6)

48. *The Central Government must meet 50 per cent of the total expenditure of the States/ UTs on the implementation of the schemes.* ((Para 10.7)

49. The Cenral Government may prescribe certain maximum level of expenditure towards the administrative costs of the schemes and regulate release of funds on that basis (Para 10.9)

50. The Study Group does not favour implementation of the schemes in stages or on a Pilot basis. *Prudence and equity demandd universal coverage.* (Para 10.10)

51. *The funds needed for these schemes must be first provided before other demands line up for satisfaction.* (Para 10.11)

52. Several suggestions for augmenting the resources to meet a portion of this expenditure have been made. (Para 10.12)

53. The Study Group recommends the creation of a Social Security Fund at the central and state levels to which all budgetary allocations and the receipts from the levies can be credited. (Para 10.14)

54. Bulk of the recommendations and the more important ones relating to old age pension, maternity benefit, sickness benefit and disability benefit do not call for legislation. (Para 11.1)

55. A Central Ministry or Department of Social Security be created in the Government of India to look at all aspects of social security in an integrated manner. (Para 11.2)

56. At the State level. a Social Security Authority be created under the Chairmanship of the Minister in charge of social security. This Authority will oversee the working of various schemes, review the allocation of funds, determine priorities and give policy guidelines and directives whenever needed. (Para 11.5)

57. A similar body be set up in each district under the District Collector. This body should have the authority to redeploy existing functionaries to avoid duplication and overlap and should work in tandem with the Panchayati Raj body at the District level and through the Panchayati Samitis and the Panchayats. (Para 11.6)

58. The operative levels will be the village and the immediate next higher level of the Block. While payments to the beneficiaries, as also preparation of their list will be at the village level, the approval of the list, approval of claims, sanctioning of funds and overseeing the actual implementation of the schemes will be at the Panchayati Samiti level. Guidelines for implementation of the programmes have been detailed. (Para 11.7)

59. The identification of the beneficiary is best left to be done by the Gram Sabha at an open meeting; the lists may have to be got revised periodically. No system is likely to be beyond criticism and the only safeguard will be to have the lists approved by the next higher body. There need be no undue concern about a few "undeserving" cases getting included in the list of beneficiaries. (Para 11.8)

60. It is too soon to think of tripartite systems across the board for all workers in the rural areas.

61. The implementation of the schemes in selected blocks may be entrusted to voluntary agencies; such experimentation will be really in the larger interests of the intended beneficiaries and may also lead to reduction of administrative costs and improvements in the quality of services. (Para 11.10)

62. Old age pensions and sickness benefits must be disbursed at the doorstep of the beneficiaries; maternity benefits may be disbursed through the ANM or at the sub centre; sickness benefits may be disbursed at the village on the return of the beneficiaries to the village after discharge from the hospital. (Para 11.11)

63. If any person desires payment by cheque or through his/her bank account, such a request may be complied with. (Para 11.12)

64. The administrative arrangements indicated above are essentially suitable for a system of social security based on social assistance. A scheme of social insurance or employer's liability will call for a more sophisticated system. Social insurance system may necessitate the formation of insurance cooperative societies at the village level. (Para 11.12, 11.13)

APPENDIX 1

(Para 1)

TERMS OF REFERENCE

1. To examine the various socioeconomic disabilities and uncertainties experienced by rural labour during the last forty years and their impact on living and working conditions particularly in employment.

2. To study in detail, the measures/schemes adopted from time to time to remove these uncertainties and the extent to which they could achieve their objectives in providing security to the rural population, especially in the areas of health, housing, education, income and employment.

3. To make an evaluation of the current socio-economic insurance schemes implemented by the Centre and State, largely for the benefit of rural people and suggest suitable modifications in their implementation, coverage etc.

4. To examine the 'old age insurance scheme', being implemented in some States and suggest improvements particularly with regard to its vital constituents such as criteria of destitute and domicile, age, rate of pension etc. to make the scheme serve better, the interest of rural poor.

5. To suggest, in the background of prevalent conditions of rural labour and policies pursued for their upliftment, the socio-economic (individual and group) insurance policies, keeping in view the cost and benefit aspect and making them financially viable to the extent possible.

6. To examine the need and feasibility of adopting a comprehensive insurance scheme for the rural population and suggest a broad framework of such aspects as education, health, employment, payment of wages, and reducing exploitation and economic uncertainties being experienced by rural labour. The recommendations should indicate clearly the sources and methods of financing and the role and contribution of State employer and beneficiary.

7. To examine the need scope and feasibility of risk insurance scheme and make recommendations for a viable scheme covering occupational hazards in the existing jobs and jobs that might come up due to growing and diversifying agro-industrial structure.

8. To make recommendations for specific schemes to cover the risks arising out of natural calamities like floods, drought, famine, loss of cattle etc.

9. To examine and suggest modifications, considered necessary, in the existing crop insurance scheme, keeping in view the interest of small and poor farmers.

10. To make recommendations on any other aspect related to economic and social security of rural labour.

APPENDIX II
(*Para* 2.9)

TABLE I

Receipts and expenditure of social security scheme (as percentage of total gross domestic product in purchasers values)

Country	Financial Year	Receipts	Expenditure	
			Total	Benefits
1	2	3	4	5
(ASIA)				
Bangladesh	1981	0·009	0·001	0·002
	1982	0·007	0·002	0·002
	1983	0·008	0·004	0·004
India	1980-81	2·9	1·7	1·6
	1981-82	2·8	1·6	1·5
	1982-83	2·8	1·5	1·4
Indonesia	1981	0·061	0·011	0·005
	1982	0·071	0·014	0·006
	1983	0·076	0·022	0·006
Japan	1980-81	14·2	11·2	10·0
	1981-82	14·8	11·7	10·4
	1982-83	15·1	12·0	10·9
Pakistan	1980-81	0·60	0·52	0·50
	1981-82	0·61	0·47	0·46
	1982-83	0·62	0·54	0·53
Philippines	1981	1·9	0·7	0·5
	1982	1·9	0·7	0·6
	1983	1·8	0·7	0·6
Sri Lanka	1981	3·4	1·7	1·6
	1982	3·9	2·2	2·1
	1983	4·0	2·3	2·2
Thailand	1981	0·16	0·14	0·14
	1982	0·18	0·15	0·15
	1983	0·20	0·17	0·17
(Other Countries)				
Australia	1980-81	12·4	10·7	10·3
	1981-82	12·6	11·7	11·2
	1982-83	13·7	12·4	11·8

1	2	3	4	5
Brazil	1981	5 5	5·8	5·2
	1982	6·4	6·1	5·6
	1983	5·6	5·6	5·2
Nigeria	1981	0·145	0·019	0·007
	1982	0 148	0·018	0·006
	1983	0·161	0·023	0·011
Sweden	1981	35·8	32·8	32·0
	1982	35·3	32·3	31·6
	1983	35·8	33·3	32·6
Tanzania	1980-81	0 7	0·3	0·1
	1981-82	0·7	0·4	0·2
	1982-83	0·8	0·4	0·1
U.S.A.	1980-81	14·1	12·6	12·1
	1981-82	14·9	13·4	12·9
	1982-83	15·7	13·8	13·2
U.K.	1980-81	19·0	18·2	17·6
	1981-82	20·0	19·7	18·8
	1982-83	21·2	20·5	19·5
U.S.S.R.	1981	13·9	13 ·9	13·9
	1982	13·7	13·7	13·7
	1983	13·8	13·8	13·8

TABLE II

Average annual social security receipts and expenditure per head of population (Between the ages 15 to 64)
(In national currency units)

Country and currency unit	Financial Year	Receipts	Expenditure	
			Total	Benefits
1	2	3	4	5
(Asia)				
Bangladesh (Taka)	1981	0·50	0·13	0·12
	1982	0 45	0·14	0·13
	1983	0·27	0·27	0·26
India (Rupees)	1980-81	94·9	55·9	54·5
	1981-82	103·2	57·5	56·4
	1982-83	109·6	57·5	56·0
Indonesia (Rupiah)	1981	393·3	69·5	29·7
	1982	491·3	94·9	40·3
	1983	630·3	177·5	52·9

1	2	3	4	5
Japan (Yen)	1980-81	431987·9	340055·8	304665·3
	1981-82	476841·0	375253·4	335840·2
	1982-83	504537·1	402009·4	364309·7
Pakistan (Rupee)	1980-81	44·5	37·9	36·9
	1981-82	49·2	37·8	36·8
	1982-83	55·1	47·9	46·9
Philippines (Peso)	1981	201·1	71·7	58·9
	1982	225·3	84·3	69·9
	1983	225·9	95·2	79·5
Sri Lanka (Rupee)	1981	322·1	182·0	179·4
	1982	419·4	231·8	227·4
	1983	515·1	289·2	283·1
Thailand (Bhat)	1981	45·9	39·6	39·3
	1982	55·0	46·7	46·3
	1983	63·2	55·5	55·0
(Other Countries)				
Australia (Dollar)	1980-81	1934·8	1666·7	1596·1
	1981-82	2108·8	1955·3	1872·3
	1982-83	2544·2	2299·8	2198·5
Brazil (Cruzeiro)	1981	19384·1	20522·2	18263·9
	1982	43906 0	41715·4	38466·2
	1983	89396·4	88477 8	82313·6
Nigeria (Naira)	1981	1·7	0·2	0·1
	1982	1·8	0·2	0·1
	1983	1·8	0·3	0·1
Sweden (Krona)	1981	38285·2	35016·3	34158·7
	1982	41184·6	37697·5	36825 8
	1983	46711·9	43439·7	42499 0
Tanzania (Shilling)	1980-81	32·9	17·3	6·4
	1981-82	37·8	19·6	7·6
	1982-83	40·0	20·4	6·6
U.S.A. (Dollar)	1980-81	2716·6	2425·2	2329·6
	1981-82	2946·3	2663·5	2555·4
	1982-83	3317·2	2912·5	2791·2
U.K. (Pound)	1980-81	1210·0	1153·8	1098·6
	1981-82	1383·1	1367·6	1301·4
	1982-83	1590·6	1537 9	1466·1
U.S.S.R. (Rouble)	1981	384·6	384 6	384·6
	1982	404·1	404·1	404·1
	1983	422·7	422·7	422·7

APPENDIX III

(Para 3– 5)

A SYNOPTIC VIEW OF VARIOUS SOCIAL SECURITY AND WELFARE SCHEME

OLD AGE PENSION SCHEME IN VARIOUS STATES & UNION TERRITORIES

State/UT	Title of the Scheme	Scale of Assistance	Eligibility Criteria	Department
1	2	3	4	5
Andhra Pradesh	Old age pension scheme (1960)	Rs. 30/- p.m.	Destitute of 65 years of age and above, relaxation for physically of handicapped/ destitutes of all ages, who are domiciled and have resided in the state for a continued period of three years on the date of submission of application.	Social Welfare Department
Assam	Old age pension scheme (1983)	Rs. 60/- p.m.	Destitute males of age 65 years and females of 60 years, Relaxation for disabled persons by ten years who are domicled and have resided in the state for more than 20 years on the date of submission of application.	Department of Social Welfare and Probation
Bihar	Old age pension scheme (1970). Social security pension scheme	Rs. 30/- p.m. pension has been increased from Rs. 30/- to 60/-	Destitutes of 60 years and above, widows and infirm persons of any age having no source of income exceeding Rs. 50/- and having no relation to support, who have resided in the state for a continuous period of 10 years on the date of submission of application.	Department of Labour and Employment
Gujarat	Old age pension scheme (1973)	Rs. 60/-p.m.	(1) Persons above the age of 60 years with individual income below Rs. 300 p.a. and family income below Rs. 1200/- p.m.	Department of Social Welfare and Tribal Development (Directorate of Social Welfare)
		Rs. 45/- p.m.	(2) Physically handicapped persons above the age of 45 years. They should have been residing in the state for the past 10 years.	
Haryana	Old age pension	Rs. 60/- p.m. (earlier)	Men aged 55 years and above women aged 50 years and above but income limit ranges from Rs. 50 to 300/- p.m.	Department of Social Welfare
		Rs. 100/-p.m. (liberalised)	Liberalised old age pension for those above 65 years. Those receiving pension under the earlier old age pension scheme would continue to	

1	2	3	4	5
			draw pension till they are eligible for the liberalised pension on scheme. Income tax payers and those receiving pension above Rs. 100/- are not eligible.	
Himachal Pradesh	Old age pension scheme (1969)	Rs. 60/-p.m.	Destitute of 50 years and above who have no income of their own and have none to support them. Relaxation in the age for crippled or permanently disabled persons and widows with income limit of Rs. 100/-per annum.	Department of Welfare.
J&K	Old age pension scheme (1976)	Rs. 60/- p.m. where a destitute has not more than two members wholly dependent upon his/her.	Persons of 65 years or above without any dependents, having no source of income to maintain himself/herself or having one or more dependents but his/her total income does not on an average exceed Rs. 25/-p.m. should be permanent resident of the state; without son, adopted son, son's son of 20 years or more or husband/wife to support him/her.	Department of Social Welfare
Karnataka	Old age pension scheme (1965)	Rs. 50/-p.m.	Destitute of 65 years and above relaxation of 5 years in case of incapaciated persons due to leprosy, insanity, paralysis, asthma or fillaria. 45 years in cases of those who are not in a position to earn due to blindness or the loss of one or more limbs, with insufficient income and resident in the state for not less than 3 years on the date of submission of report.	Department of Social Welfare and Labour
Kerala	Destitute pension scheme (1960)	Rs. 55/-p.m.	Destitute of 65 years and above with no source of income or with income of less than Rs. 50/- p. m. who have no son, son's son of 20 years and above.	Department of Social Welfare The Board of Revenue has been entrusted the over ll charge of the scheme. An application to be made to the Municipal Corporation. The Executive Officer after verification forwards it to the Tahsildar who will send the amount to the pensioner by M.O.
Madhya Pradesh	Madhya Pradesh Nirashriton Ki Sahayata Ka Karyakram (1970)	Rs. 60 p.m.	Destitute of 60 years. Infirm, blind, deaf, mute, disabled are also covered.	Social Welfare Board.
Maharashtra	Sanjay Gandhi Niradhar Anudan Yojana (1980)	Rs. 60/- p.m.	65 years for males and 60 years for females relaxtion for incapaciated, disabled, blind, widows, etc.	Housing and Speial Assistance Deptt.
Manipur	Old age pension scheme (1980)	Rs. 60/-p.m.	Destitute male of 60 years and female of 55 years. Incapacitated handicapped old of 50 years and above of/ are also covered.	Directorate of Social Welfare
Meghalaya	Old age pension scheme (1981)	Rs. 60/- p.m.	Males of 65 years and females of 60 years without any means of subsistance.	Department of Social Welfare.

1	2	3	4	5
Mizoram	Assistance to aged and infirm (1975)	Rs. 60/- p.m.	Old men of 65 years and above and women of 60 years and above.	Department of Social Welfare
Nagaland	Old age pension scheme (1979)	Rs. 60/-p.m.	Old age persons of 80 years and above and invalid persons of 60 years and above ane eligible.	Community Development and Rural Reconstruction Department.
Orissa	Old age and widow pension scheme (1975)	Rs. 40/-p.m.	Destitute of 65 years widows of 55 years having no source of incom^ and no rel tion son, son's son, father, mother husband, wife able to support.	Community Development and Rural Reconstruction Department.
Punjab	Old age pension scheme (1968)	Rs. 50/-p.m.	Destitute, 65 years for males and 60 years for females. Widows are also eligible.	Daepartment of Social Welfare
Rajasthan	Old age pension to destitutes (1964)	Rs. 50/-p.m. (Rs. 80/- for couple)	Destitutes; males of 58 years and above and females of 55 years. No age limit for widows.	Department of Social Welfare
Sikkim	Old age pension scheme (1981)	Rs. 60/-p.m.	Men of 70 years; women of 65 years. Disabled are also eligible.	Department of Social Welfare
Tamil Nadu	Old age pension scheme (1962)	Rs. 35/-p.m. (plus two Dhotis/ Sarees)	Destitutes of 65 years and above who have no means of livelihood ana no relatives to support.	Department of Social Welfare
			Physically handicapped destitute of age 45; blind destitute irrespective of age, destituted widows of 40 year are also covered.	
Tripura	Old age pension scheme (1978)	Rs. 75/-p.m.	Any person who has attained the age of 80 years and is not capable of doing any work. No pension shall be admissible whose family income from all sources exceeds Rs. 4000/ p.a. Only one person in a family shall be eligible for such pension.	Department of Education (Directorate of Social Welfare and Social Education)
Uttar Pradesh	Old age pension scheme (1957)	Rs. 60/-p.m.	Destitute of 65 years and above Widows, crippled incapacitated of 60 years, are eligible.	Department of Labour Welfare
West Bengal	Old age pension scheme (1964)	Rs. 60/-p.m.	Destiute of 60 years and above handicapped of 55 years and above are also covered	Rel'ef & Welfare Department.
Andaman & Nicobar Islands	Old age assistance rules (1981)	Rs. 60/-p.m.	Destitute of 60 years and above Disabled persons of 60 years and above are also eligible.	Directorate of Social Welfare
Chandigarh	Old age pension scheme (1969)	Rs. 60/-p.m.	Destitute men and women of 65 years and 60 years of age are eligible.	Department of Social Welfare
Dadra & Nagar Haveli	Financial Assistance to old, blind and infirm persons (1974)	Rs. 60/-p.m.	Blind old, physically handicapped and infirm and not capable of doing any work.	Office of the Administrator (Social Welfare Officer)
Delhi	Old age Assistance scheme (1975)	Rs. 60/-p.m.	Old destitute and disabled of 60 years and above. Widows are also eligible	Directorate of Social Welfare

1	2	3	4	5
Lakshadweep	Old destitute and invalid persons pension scheme (1975)	Rs. 60/-p.m.	Destitutes of 60 years and above blind/deaf/orthopedically defective and infirm or permanently incapiciated, widow destitute are also eligible.	Department of Social Welfare & Culture
Pondicherry	Old age & widow pension scheme (1981)	Rs. 60/-p.m.	Destitute old persons and widows of 60 years and above where monthly income does not exceed Rs. 50/-in case of unmarried persons Rs. 100 in case of married persons etc.	..
Andhra Pradesh	Andhra-Pradesh landless Agricultural workers pension scheme (1984)	Rs. 30/-p.m.	Landless agricultural workers of and above the age of 60 years are Mo be paid an old age pension.	..
Gujarat	Old age pension for agricultural labourers (1981)	Pension at the rate of Rs. 60/ p.m.; supplemented by a further pension of Rs. 15/- p.m. making a total of Rs. 75/- p.m.	The claimant must belong to the category of landless agricultural labourer; he must have attained the age of 60 years or if disabled/ handicapped, the age of 45 years; his individual income should not exceed Rs. 300/- p.a. and his family income should not exceed Rs. 1200/- p.a.	The Labour and Employment Department and Social Welfare Department jointly handle the responsibility for the scheme. The claimant has to furnish an application to the Social Welfare Department which is got verified by the District Collector concerned and upon sanction, the benefit is remitted by M.O. to the beneficiary.
Kerala	The Kerala Agricultural Workers' Pension Scheme (1982)	The pension amount was Rs. 45/- p.m. initially which was enhanced to Rs. 60/- p.m. in 1987.	All agricultural workers who complete the 60 years of age on the date of application; and whose income does not exceed Rs. 1500/ p.a. (in calculating income, the income of the unmarried adult sons and daughters is also taken into consideration) residence within the state for a minimum period of 10 years; engagement in agricultural activities for atleast 10 years; claimant not being maintained by any institution for the care of old/sick/infirm; claimant not being in receipt of any assistance under any of the welfare schemes.	The State Labour Commissioner is the overall incharge of the scheme. The Deputy Labour Officer is over-all incharge of sanction and disbursement of pension. The pension amount is paid once in months and the amount due is sent by M.O. to the pensioner. The number of pensioners in 1988-89 was around 3 lakhs. The amount paid as pensions was Rs. 1.50 millions in 1987-88.
Tamil Nadu	Tamil Nadu Old Age pension destitute agricultural labourers scheme (1981)	A monthly pension of Rs. 35/- p.m. free supply of a set of cloths on Independence Day and Pongal festival; free supply of rice on weekly basis on the prescribed scale.	Atleast one years residence in the state; means of subsistance and no close relatives to support; should be 60 years of age or above.	The Revenue Administration Department in coordination with the Social Welfare Department.
Tamil Nadu	Tamil Nadu Old Age Pension (Destitute Widows) Scheme (1975)	A monthly pension of Rs. 35/-p.m.; free supply of a set of cloths or Independence day & Pongal festival (i.e. twice a year); free supply of rice on a weekly basis on the prescribed scale (lesser quantity for those who avail of the free Nutritious Noon Meal Scheme for these pensioners)	Atleast one year's residence in the state; no means of subsistence and no close relative to support; the applicant should be not less than 40 years of age.	The Revenue Administration Department in coordination with the Social Welfare Dept. is the over-all incharge. The District Collectors concerned are the administrative charge of the scheme. Cash assistance is remitted by postal M.O.

1	2	3	4	5
Gujarat	Maternity Benefit for landless agricultural labourers (1986)	The benefit comprises of six weeks wage for the first child and four weeks wage for the second child	Women landless agricultural labourers not covered by the Employees State Insurance Act or Maternity Benefit Act. The applicant is required to produce a certificate from the village officer to show that she belongs to landless agricultural labourers family and another certificate from a medical officer or a nurse that she is taking treatment at a primary health centre, indicating also the probable date of delivery.	The scheme is administered by the Rural Labour Commissioner, Govt. of Gujarat. In 1988-89, 13521 females got Rs. 56·52 lakhs.
Gujarat .	Self Employed Womens' Association Maternity protection Scheme (1975)	Each pregnant member would be entitled to receive prenatal care, cash benefit of Rs. 51/- and one kilogramme of ghee upon delivery. The scheme is available to members both in the rural and the urban areas.	Under a the scheme pregnant member can register herself on payment of a small sum of Rs. 15/-	The member's contribution supplemented by funds received from Gujarat State Labour Dept. and Asian American Free Labour Institute.
Karnataka .	Karnataka Maternity Allowance to Agricultural Landless women Labours (1984)	Rs. 100/- p.m. for a period of 3 months which is payable in one instalment during advanced pregnancy period. This allowance is payable for the first and second issues only.	Agricultural Landless women labours who do not own any land in her name or in the name of husband anywhere in Karnataka but engaged in agricultural operations on daily wages or on contract basis.	Social Welfare & Labour Department.
Tamil Nadu	Tamil Nadu old age pension (deserted destitute wives) scheme (1986)	(As above)	Atleast one year's residence in the State; no means of subsistance and no close relatives to support, the applicant should be atleast 30 years of age and the period of desertion (after legal marriage) should not be less than 5 years; upon re-marriage or grant of assistance from her deserting husband, the assistance under the scheme would be discontinued.	(As above)
Kerala		The scheme provides cash benefits (at the rate of minimum wages) and medical assistance to the mother and the child.		
Haryana .	Scheme for physically handicapped.	Rs. 50/- p.m.	Persons between the age group of 21 – 65 years are eligible.	Social Welfare Departmnt
Haryana	Allowace for physically handicapped unemployed persons	Rs. 50/- p.m. for matric/middle class pass, Rs. 100/- p.m. for diploma holders/ B.A. & Matric pass holder; as.150/-p.m. for B.A./diploma holders and post-graduates.		
Gujarat .	Destiture physically handicapped persons pension scheme (1978)	Rs. 60/- p.m.	The person must be a resident of Gujarat; must have attained the age of 45 years; the individual income of the ap-	Department of social Welfare, Application on a prescribed form made to the Assistant/Deputy Collector/District Col-

1	2	3	4	5
			plicant should not exceed Rs. 300/- p.m. and his family income should not be more than Rs. 1200/- p.a. having a son aged more than 21 years will be eligible for assistance, unless he is able to earn livelihood and maintain his parents.	lector concerned. Upon sanction of assistance the pensionery amount is remitted to the beneficiary by M.O. once every 2 months.
Kerala	Kerala special pension scheme for the physically handicapped & disabled & mentally retarded (1982)	Rs. 75/- p.m.	A person whose income is less than Rs. 75/- p.m. and also whose family income does not exceed Rs. 300/- p.m.; the disability as far as the physically handicapped is concerned will be certified by the Medical Board for the physically Handicapped constituted by the Govt. That of mentally retarded will be certified by a Medical Officer not below the rank of an Assistant Surgeon in Govt. service with specialisation in psychiatry.	The village officer shall complete inquiries within 2 months from date of application and forward it to the Tahsildar. The Tahsildar will be the sanctioning authority. The Tahsildar and village officer shall maintain a register for the pensioners. The amount of pension sanctioned, will be remitted by M.O.
Nagaland	Totally Blind pension	Rs. 60/- p.m.		
Nagaland	Handicapped student scholarship scheme	from Rs. 35/- to Rs. 125/- p.m.	From class A to Bachelor Degree	
Tamilnadu	Destitute physically handicapped pension scheme (1974)	(As in old age pension)	The applicant should be 45 years of age or above (age relaxation by the Dist. collectors in exraordinary case) and the disability should be 50% or more. He/she has no means of subsistance and no close relatives to support, atleast one year's residence in the state.	(As in old age pension scheme)
West Bengal	Disability pension scheme	Rs. 60/- p.m.	A peson who is a deaf dumb or blind or orthopaedically handicapped or mentally retarded and permanently incapacitated to earn a living and is resident of West Bengal and whose income does not exceed Rs. 50/- p.m.	
Maharashtra	Voluntary Agencies in the field of Medical Care and Public Health	——	A large number of voluntary agencies benefit the poorer sections and the lower middle class both in urban and rural areas. The services for the poor are usually free; others are required to pay nominal charges or fee. The relatively small voluntary institutions usually provides only outpatient service, diagnostic facilities and specialists' services. Some of the larger institutions, however, provide expended facilities, including hospitalisation, on a sufficiently wide scale. These volun-	

1	2	3	4	5
			tary bodies/trusts are financed by voluntary donations, Govt. grants-in-aid, and the small fees which they charge for their services. The Govt. of Maharashtra has formulated a scheme for financial assistance to voluntary institutions for establishing medical services and to upgrade and improve existing services.	
Tamil Nadu	Voluntary Health Services (VHS) (1963)	The medical aid plan of VHS entitles a member upon payment of contribution varying from Rs. 12/- to Rs. 300/- p.a. depending on the monthly income, to a free annual medical check-up for all members of the family and to concessional rates of fees for medical treament, surgical procedures etc. in the VHS hospital. Those earning below Rs. 200/- p.m. are treated free of charge.	——	The hospital receives large aid from the Govt. of India, Tamil-Nadu Govt. and several charitable trusts. During 1986-87 the out-patient department of the hospital had a total attendance of over 43, 300 which in terms of daily attendance, works out to about 119. The total number of in-patients treated during the year was 6,621.
Maharashtra	Employment Guarantee Scheme (1979)	Upon an applicant seeking employment, it becomes the duty of authorities concerned to employ him within 15 days of the application. The daily wges correspond to the Min. wage fixed from time to time under the Minimum wage Act for agricultural workers in the state. If the work is not provided within a period of 15 days from the date of application, unemployment allowance becomes payable at the specified rate for such allowance. In the event of death or disability due to an accident, financial assistances of Rs. 5,000/- is given for death and an amount related to the degree of disability in the case of an injury. Women workers are allowed maternity benefit for 6 weeks at a rate equivalent to their wages.	There are no hard and fast eligibility conditions, except that the individual should be an adult residing in a rural area and willing to do unskilled work.	The Scheme is administered by the Planning Department of Maharashtra State. A separate division for the Employment Guarantee Scheme has been set up within the Department. A persons has to register himself withthe village authorities (Taluka). Wages are paid on a weekly basis. Mandays of employment generated per year during 1984-85, 1985-86 and 1986 87 were 178, 190 and 164 million respectively. Expenditure or on average has been of the order of about Rs. 2,200 millions annually of which 15·20% was administrative expenditure. Expenditure has been progressively increasing from year to year.
Gujarat	Unemployment relief for the educated unemployed (1979)	(i) S.S.C. – Rs. 50/- p.m. Graduates--Rs 75/- p.m. (iii) Post Graduates Rs. 100/- p.m.	The applicant must have passed atleast the SSC (Matric) exam. he must be between 20 to 30 years of age; he must be a] resident of Gujarat State; he should not be a student; he should not be a pensioner; or a dismissed Govt. servant; his annual family income should not exceed Rs. 4900/- he should not be in receipt of any financial assistance or relief exceeding Rs. 600/- p.a.; and he should not be an offender, guilty of moral turpitude.	The Department of Labour and Employment Govt. of Gujarat is the administrative department. Executive authority vests in the Dist. Employment Exchanges, which are competent to sanction the allowance. In 1986-87, the number of beneficiaries was 446; funds allocated was Rs. 1·60 million; amount paid as assistance was Rs. 0·58 million and the administrative expenditure was Rs. 0 68 million.

1	2	3	4	5
Kerala	Unemployment Assistance Scheme (1982)	Unemployment assistance is payable at the rate of Rs. 50/- p.m.	The applicant should have passed SSLC exam; his family income should be less than Rs. 4000/- p.a.; he should have been unemployed and validity registered with an Employment Exchange; he should not be a student; he should be in the 18 35 age group; and he should not be in receipt of any other pension.	The applicant has to make an application to the Employment Officer, who after necessary inquiries, shall determine the eligibility. The monthly allowance is disbursed once in 4 months by the National Employment Service Department. The Directorate of Employment and Training is in overall charge of the scheme
Maharashtra	Unemployment Relief-Financial Assistance to Educated Unemployed (1979)	Part 'A' of the scheme covers unemployed graduates/diploma holders. persons are paid an honorarium of Rs. 100/- p.m. and are required to work for 3-4 hours per day for 15 days in a calander month. Such part-time work is not reckoned as Govt. Service. The benefit is payable for a period of 3 years or upon full time employment being secured by the recipient of benefit, whichever is earlier. Part 'B' of the scheme covers persons who passed SSC exam. An amount of Rs. 100/- per year for a period not exceeding 3 years is payable. The beneficiary is not required to do any work.	The applicant must have acquired the prescribed educational qualification from a school or higher institution (college etc) in Maharashtra; he must have been born on the live register of an Employment Exchange in the state for atleast 2 years in case of backward class candidate and for atleast 3 year in other cases.	At the state level, the Director of employment is the controlling officer and at the district level, the collector of each dist. is responsible for implementation of the scheme. Coordination is achieved through Dist. Coordination Committees in which the officials, of the Employment Exchange and the Dist. Social Welfare Officer are associated. The collector operates the funds and the Tahsildars make payment to beneficiaries on the basis of the eligibility list received from Social Welfare Employment Exchange Officer.
Tamil Nadu	Unemployment Relief Scheme (1980)	Graduate/Post graduate in any faculty; Rs. 100/-p.m. Under-graduate (10+2); Rs. 75/- p.m.; SSLC (Matric) and other categories; Rs. 50/- p.m.	He must be SSLC passed or under graduate or graduate/Post-graduate; should be a resident of Tamil Nadu for atleast 15 years; should be on Live Register of an Employment Exchange for over 5 years or if blind for over 3 years; he should be in the age limit of 35 years or 40, if blind or belonging to a scheduled cast/tribe; his parents' total income should not exceed Rs. 2000/- p.m.; he should not be a student; and should not be earning more than Rs. 50/- p.m.	Department of Employment and Training has the overall responsibility where payment is made on quarterly basis by credit to the Savings Bank Account of the beneficiary in a branch of the State Bank of India. In 1986-87, number of beneficiaries was 1,45,786; amount paid as unemployment relief was Rs. 92·48 million; and administrative expenditure was Rs. 1·16 million.
West Bengal	Unemployment Assistance scheme (1985)	——	30—40 years relaxable for S/C, ST and physically handicapped persons; personal income and family income should not exceed Rs. 50/- and Rs. 500/-p.m. respectively; not more than one member of a family is eligible for unemployment assistance provided he/she has not received any financial assistance from the Government.	——

1	2	3	4	5
Kerala	Self Employment Scheme (1982)	Self employment lumpsum amount is an assistance of Rs. 600/- at the initial stage of the approved self employment project, subject to additional financial assistance after the commencement of the projects on merits in each case. The lumpsum amount should be deposited in a specified bank, which advances loans upto Rs. 5000/-	His family income should be less than Rs. 4000/- p.a. he should not be in receipt of any other pension; he should not be a student; should be in the age group of 18—40 years; and he should have been unemployed and validly registered with an Employment Exchange.	An application for lumpsum assistance for self employment hasto be made to the disignated District Employment Officer, who places the application before a District level committee who takes appropriate decision, which is final. The Committee consists of Govt. officials and a representative of the bank concerned. The Directorate of Employment and Training is in overall charge of the scheme.
Maharashtra	Sanjay Gandhi Swavalamban Yojana (Loan Scheme) (1980)	The benefit consists of interest free loan. The minimum amount of loan is Rs. 2500/- in any case, depending upon the financial requirements of the activity. The number of persons benefitted till March 1987 was 3,62,200 and the expenditure during 1986-87 was Rs. 1·73 millions approximately.	Any person registered for work on EGS or an unemployed registered with an Employment Exchange or a landless labour, a small farmer, any other under employed desirous of setting up his own self employment venture for gainful employment in any activity, priority is given to those in whose family there is not a single person with regular employment.	A Committee with a member secretary has been set up in each administrative area, to which an application for loan has to be made in the prescribed form.
Tamil Nadu	Self Employment Promotion Scheme (1983-Vellore Centre) (1985-Coimbatore Centre)	The benefit of the scheme cannot be evaluated purely in monetary terms. The purpose of the scheme is to identify avenues of self employment, to collect and maintain to date information regarding facilities available in the sphere of self employment and refer suitable candidates to various agencies.	Persons covered are the unemployed, whether registered at the Employment Exchance or un-registered. Persons desirous of self Employment register themselves for self Employment under the scheme.	Each self employment promotion Cell is headed by a District Employment Officer. The Cell has been responsible for commencement serveral self Employment ventures at the two centres (Vellore and Coimbatore), e.g. cycle shop carpentary unit, footwear, tailoring, welding units petty shop etc.
Tamil Nadu	Employment to Rural Women (1985-86)	Special programme for Women folk in rural areas to train and equip them for self employment either individually or througb formation of industrial cooperative societies in the particular trade for which they have been trained.	—	The State Social Welfare Department
Gujarat	Observation Homes & Other Services for Children	Observation Homes are statutory institutions which admit, among others homeless, destitute and neglected children who are given free boarding lodging and affectionate care, A number of voluntary organisations are associated in the programme. Centrally Sponsored Scheme of services for children in need of care and protection is also in operation through 17 voluntary institutions and 90% grant is given to snch institutions Integraed social welfare services, especially to pre-school	—	—

1	2	3	4	5
		children in the rural areas, are additionally provided by the Gujarat Government. At present more than 53,000 children are taking benefits.		
Gujarat	Welfare Schemes of Gujarat Women's Development Corporation (1981)	The Gujarat Women's Economic Development Corporation has developed a number of programmes among which training for women for self employment in various trades, carrying a stipend of Rs. 50/- p.m. is one.	——	——
Gujarat	Welfare Services for the Physically Handicapped, the Blind, the Deaf and the Dumb etc.	Blind schools and Deaf and dumb schools provide free education with lodging and boarding facilities provided by Gujarat Government's liberal grnts-inaid, 100% concession is given to the blind and his escort in state transport service. The Gujarat state runs several institutions, which provide free lodging and boarding facilities. The Department of Social Defence Gujarat sanctions and disburses state scholarships to the physically handicapped students upto VIII standard.	——	The total amount spent on a variety of welfare services in the Gujarat state during the Sixth Plan period amounted to over Rs. 288 millions.
Kerala	Kerala Coir Workers' Welfare Scheme (1981)	Cash assistance at the rate of Rs. 5/- per day for hospitalisation; reimbursement of medical charges for treatment subject to a minimum of Rs. 200/-; financial assistance of Rs. 200/- for maternity; scholarship/stipend for children and other dependents of the beneficiary subject to a max. of Rs. 1500/- p.a. for studying in an engineering medical college; exgratia lumpsum assistance under special circumstances subject to a maximum of Rs. 5000/-.	The Applicant should be a resident of Kerala state and should have worked in the coir industry for atleast 5 years;h is income should not exceed Rs. 3600/- p.a. and he should not be eligible to the benefits under the ESI or the Maternity Benefit Scheme.	Operated through the Govt. Rules· The Overall administration of the scheme vests with the State Labour Commissioner. The application has to be made to the Assistant Labour Officer, who conducts an inquiry regarding the eligibility of the claimant and forwards to the Dist. Labour Officer. The Dist. Labour Officer disburses the amount by M.O.
Kerala	The Kerala Handloom Workers Welfare Scheme (1981)	Reimbursement of medical charges subject to a max. of Rs. 200/- cash aid ofRs. 5/- per day for hospitalisation; financial assistance of Rs. 200/- for maternity purposes; scholarship/stipend for children and other dependents at the rate of Rs. 500/- p.a. for post-matric education, in an engineering/medical college; lumpsum assistance under very special circumstances, subject to a max. of Rs. 5000/-	The person should be a resident of the state and should have worked in handloom industry for atleast 5 years; his annual income should be less than 3600/- p.a. medical assistance, must be a person not eligible for medical benefits under the ESI Scheme or MES.	The overall administration of the Welfare Fund vests with the State Labour Commissioner. All applications should be accompanied by relevant medical certificate. The Dist. Labour Officer is the Competent Authority for sanction of assistance.

1	2	3	4	5
Kerala	The Kerala Motor Transport workers Welfare Fund Act (1985)	The scheme runs the familiar pattern of provident fund contributions by employees and employers and a contribution by the employer towards gratuity. Number of employees covered in 1986-87 was 12000; amount of contribution from employers was Rs. 2815 million and the contribution from employees was Rs. 2815 million. The employers contribution towards gratuity was Rs. 1750 million.	Any person employed for wages in a motor transport undertaking, becomes eligible for membership on completion of 3 months continous service. The Act aims at covering smaller and scattered transport undertakings in the unorganised sector.	The Board, a corporate body, administers the Funds. The Board consists of officials and representatives of employees and employers nominated by the state Govt and a Chairman from amongst them appointed by the Govt. The employer has to maintain accounts and submit returns as prescribed to the authorised officer of the Board.
Kerala	The Kerala Cashew Workers' Welfare Scheme (1981)	In addition to the benefits provided in the above two schemes, supply of free rations during continuous un-employment, subject to availability of funds; and payment of cash assistance during the above period.	As in the above two schemes except that the person should have worked in cashew industry for atleast 5 years.	As in the above two schemes and the payment of assistance is made by M.O. Estimated number of cashew workers was 135000; and total expenditure incurred in 1987-88 was Rs. 1·79 million.
Kerala	Kerala Toddy Workers Welfare Fund Act. (1970)	Life insurance policy to be assigned to the Board housing; unemp loyment due to closure of shop/premises for over 30 days advance equal to member's own total contribution including interest thereon; illness advance equal to member's 3 months basic wages or his own share of contribution, whichever is higher; purchase of shares in consumer cooperative societies—advance of Rs. 50/- or his own contribution, which ever is less; advance for marriage of a daughter or education of children beyond Std. X.	The Act is applicable to a person employed for wages directly or indirectly in connection with the tapping manufacture, transport, storage or sale of toddy. Thus, all toddy shops/premises etc. are covered under the Act. An employee is eligible to become a member on completion of 3 months continuous service.	The Employers are required to get a declaration form filled in by each employee and submit to Welfare Fund Inspectors concerned. The Chief Welfare Fund Inspector has to forward an intimation slip, showing credits and withdrawals, if any to every member of the Fund twice a year. The fund is audited as per instructions issued by the state Govt.
Kerala	Kerala Construction Workers and Quarry Workers Welfare Scheme (1981)	An ex-gratia payment of Rs. 5000/- to a worker in the event of his permanent total disablement as a result of and in the course of his employment; if the said accident proves fatal. ex-gratia financial assistance is paid to his widow or if he was unmarried or a widower to his dependents as set out in the scheme.	No specific eligibility conditions as to age, residence, destitution etc., have been prescribed, apart from the claimant being a construction or a quarry worker.	The employee or his dependent may apply to the Dist. Labour Officer within 90 days of the accident/death, together with appropriate medical certificate from a Govt. medical practitioner. The D.L.O. is competent to sanction and order payment of financial assistance within 90 days of the date of application. Estimated no. of workers=30,000 No. of claims received—109 No. of cases granted financial assistance=15 (1986-87) Amount of expenditure=75,000 (1986-87).

1	2	3	4	5
Kerala	The Kerala Fishermen Welfare Fund Act (1981)	Distress relief in time of natural calamities, between Rs. 3000 5000; for destruction of a fisherman's hut; payment for injury sustained in any accident while fishing subject to a max. of Rs. 300/- lumpsum assistance of Rs. 15000/- is payable to dependents in the event of death of a fisherman who is not covered by the Group Insurance Scheme for Fisherman; old age pension of Rs. 75/- p.m, lumpsum amount of Rs.250/-to meet the funeral expenses in connection with the death of a dependent of a fiherman; interest free loan of Rs. 1200/- & a grant of Rs. 200/- for marriage of a daughter; educational concessions for the children of fisherman; and medical facilities for fihserman and their families through 35 dispensaries set up for the purpose.	The scheme covers all fisherman, employed for wages in a fishing vessel etc. or a self employed fisherman, who is a member of a Fisherman's Welfare Society.	The Kerala Govt. have continued the Kerala Fisherman's Welfare Board, comprisug Govt. officials and representatives of fisherman for administration and overall supersvision of the scheme.
Kerala	Kerala Welfare scheme for Construction workers (1990)	A consolidated Rs. 1 lakh gratuity per head on retirement after the age of 65 medical assistance, maternity benefits and family pension.	The Fund envisages district-wise registration of all construction workers-engaged in carpentry, masonry, plumbing, electrification, floor-laying and other related activities.	Statutory Welfare Fund constituted by the State Govt. funds are collected by way of workers' contributions ranging between Rs. 10 and Rs. 20 per month, deduction of one percent of the total of all Govt. contract bills before payment and one percent of private construction costing over Rs. 1 lakh in the state.
Kerala	Kerala Tree Climbers Welfare Scheme (1980) retrospectively from (1978)	For death while climbing the trees a sum of Rs. 5000/- is payable as exgratia financial assistance to the dependents of the deceased; In the event of an injury in the process of tree climbing resulting in permanent disablement rendering the employee in capable of continuing his vocation of tree-climbing, a sum of Rs. 5000/- as ex-gratia financial assistance is payable to him.	Apart from the beneficiary being a tree-climber, no other eligibility conditions as to age, residence etc. have been prescribed.	The scheme is handled by, the Labour Department the sanctioning authority after normal enquiries about a claim, being the District Labour Officer.
Kerala	Scheme of Financial Assistance to Widows towards Marriage Expenses of their Daughters (1978)	Amount not exceeding Rs. 1000/- is granted against marriage expenses of a daughter of a destitute widow.	Assistance for marriage of their daughters to destitute widows. The income of the destitute widow should not exceed Rs. 5000/- p.a. and the share of the girl in the family property should not exceed Rs. 6000/-.	Average beneficiaries per annum is about 12,000. Expenditure in 1986-87 was Rs. 10·28 million.

1	2	3	4	5
Tamil Nadu	The Tamil Nadu Labour Welfare Fund Act (1972)	The Scheme of benefits provides for a variety of items of Welfare activities. e.g. tailoring centres for ladies where each trainee is paid Rs. 60 p.m. as stipend for one year, maintenance of child care centres reimbursing cost of the typewriting shorthand training for children of workers, scholarships holiday homes etc. and payment for specified funeral expenses upon death of a worker etc.	The Act is applicable to all factories, Motor Road Transport Undertakings, plantation and such shops, commercial and catering establishments as employ 5 or more persons. A person should have been employed in any of the units mentioned above, for not less than 30 days.	A Board has been constituted for overall administration of the Fund, consisting of representative of employers, employees and other officials. non-officials. The Secretary of the Board functions a as the Chief Executive Officer of the Scheme, assisted by inspectors and other supportive staff.
Tamil Nadu	Service Homes for Women	The inmates are allowed to stay in the Service Homes with two of their children for a maximum period of 3 years. A stipend of Rs. 75 per month with a supplement of Rs. 60 p.m. for each child is paid in addition to clothing allowance Rs. 100 per annum. for adult and Rs. 60 p.a. for each child, text books and note books allowance (Rs. 40—60 p.a., depending upon the course period and Rs. 15/- p.a. per child) and a lumpsum amount of Rs. 250/- for these under going training in tailoring.	Poor widows, deserted wives and destitute women in the age group 18—40 years.	Social Welfare Department of the State Govt. voluntary bodies aided by the State Govt. are also running service homes of certain centres in the state. These homes also provide facilities for education training etc. and grant stipend usually Rs. 50/- p.m.
Tamil Nadu	Vocational training in shorthand/type writing	A lumpsum stipend of Rs. 220/- for shothand course and Rs. 150/- for typewriting course of 12 months/ 10 months duration respectively is paid.	Women in the age group 18—30 yrs. with a family income of less than Rs. 3000 p.a.	The Social Welfare Department of the State Government incurs an expenditure of Rs. 2,60,000/- annually under this programme.
Tamil Nadu	Production-cum-training programme	Units with simultaneous training and production have been started in which training-cum-production facilities are provided to each trainee for a period of one year. To meet cost of coveyance and incidental charges, the trainees are paid a stipend of Rs. 30/- p.m. (for one year).	Rural and Urban women in the age group 13—35 years.	Social Welfare Department of the State Government.
Tamil Nadu	Programmes for Welfare and Development of Children.	(a) I.C.D.S. Scheme (1975-76)	Supplementary nutrition to children between the age of 6 months to 4 years and to provide immunisation facilities.	I.C.D.S. Centrally Sponsored Scheme.
		(b) Mid-Day Meal (1982)	All children between the ages of 2 and 15 years. Apart from children, old age pensioners widows, destitutes, handicapped persons who are unable to work are also fed under this programme.	The Tamil Nadu state has made considerable efforts in adopting an integrated approach and has implemented nutrition, health programme etc. all over the state.

1	2	3	4	5
		(c) Integrated Nutritional Project (1980)	Children in the age group of 6 months to 3 years claiment has to furnish an application his individual income should not exceed Rs. 300/- p.a. and his family income should not exceed Rs. 1200/- p.a.	Assisted by World Bank. The claiment has to submit application to the Social Welfare Department which is got verified by the District Collector concerned and upon sanction, the benefit is remitted by M.O. to the beneficiaries.
Kerala	The Kerala Agricultural Workers Pension Scheme (1982)	The pension amount was Rs. 45 initially which was enhanced to Rs. 60/- p. m. in 1987.	All agricultural workers who complete the sixty years of age on the date of application and whose income does not exceed Rs. 1500/- p.a. (in calculating income, the income of the unmarried adult sons and daughter is also taken into consideration) residence within the state for a minimum period of 10 years, engagement in agricultural activities for atleast 10 years; claiment not being maintained by any institution for the care of old/sick/infirm claiment not being in receipt of any assistance under any of the welfare schemes.	The State Labour Commissioner is the over all incharge of the Scheme. The Deputy Labour Officer is over all incharge of sanction and disbursement of pension. The pension amount is paid once in three months and the amount due is sent by M.O. to the pensioner. The number of pensioners in 1988-89 was around three lakhs. The amount paid as pensions was Rs. 150 millions in 1987-88.
Tamil Nadu	Tamil Nadu Old Age pension (destitute agricultural labourer) Scheme (1981)	Monthly pension of Rs. 35/- free supply of a set of clothes on Independence day and Pongal festival; free supply of rise on weekly basis on the prescribed scale.	At least one year's residence in the state; means of subsistance and no close relatives to support; should be sixty years of age and above.	The Revenue Administration Department in Coordination with the Social Welfare Department.
Tamil Nadu	Tamil Nadu Old age pension (destitute widows) Scheme (1975)	A monthly pension of Rs. 35/- free supply of the set of clothes on Independence and Pongal festival (i.e. twice a year) : free supply of rice on a weekly basis on the prescribed scale (lesser quantity for those who avail of the free nutritious meal schemes for these pensioner.	At least one year's residence in the state; no means of subsistence and no close relative to support; the applicant should be not less than forty years of age.	The Revenue Administration Department in Coordination with the Social Welfare Department is the over all in-charge. The District Collectors concerned are the administrative charge of the scheme. Cash assistance is remitted by postal M.O.
Gujarat	Maternity benefit for land less agricultural labourers (1986)	The benefit comprises of six weeks wages for the first child and four weeks wages for the second child.	Women landless agricultural labourers, not covered by the employees' state Insurance Act or Maternity Benefit Act. The applicant is required to produce a certificate from the village officer to show that she belongs to landless, agricultural labourers, family and another certificates from a medical officer or a nurse that she is taking treatment at a primary health centres indicating also the probable date of delivery.	The scheme is administered by the rural labour Commissioner, Govt. of Gujarat in 1988-89, 13521 females got Rs. 56·52 lakhs.

1	2	3	4	5
Gujarat	Self Employed Womens Association Maternity Protection Scheme (1975)	Each pregnant member would be entitled to receive prenatal care, cash benefit of Rs. 51 and 1 kg of ghee upon delivery. The scheme is available to members both in the rural and the urban areas.	Under the scheme a pregnant member can register herself on payment of a small sum of Rs. 15/-.	The members contribution is supplemented by funds received from Gujarat State Labour Department and Asian American free labour institute.
Karnataka	Maternity allowance to agricultural landless women labourers (1984)	Rs. 100/- p.m. for a period of three months which is payable in one instalment during advance pregnancy period. This allowance is payable for the first and second issues only.	Agricultural landless women labourers who do not own any land in her name or in the name of husband anywhere in Karnataka but engaged in agricultural operations on daily wages or on contract basis.	Social Welfare and Labour Department.
Tamil Nadu	Tamil Nadu Old Age Pension (deserted destitute wives) Scheme (1986)	(as above)	At least one year's residence in the state no means of subsistence and no close relatives to support the applicant should be at least thirty years of age and the period of desertion (after legal marriage) should not be less than 5 years upon remarriage or grant of assistance from her deserting husband, the assistance under the scheme would be discontinued.	(As above)
Kerala	—	The scheme Provides cash benefits (at the rate of minimum wages) and medical assistance to the mother and the child.	—	—
Haryana	Scheme for physically handicapped	Rs. 50/- per month	Persons between the age group of 21—65 years are eligible.	Social Welfare Department.
Haryana	Allowance for physically handicapped unemployed persons	Rs. 50/- p.m. for matric/middle class pass; Rs. 100/- p.m. for diploma holders/B.A. & Matric. pass holders; Rs. 150/- p. m. for B.A./diploma holders, and postgraduates.		
Gujarat	Destitute physically handicapped persons pension scheme (1978)	Rs. 60/- p.m.	The person must be a resident of Gujarat; must have attained the age of 45 years; the individual income of the applicants should not exceed Rs. 300/- p.m. and his family income should not be more than Rs. 1200/- per annum. having a son aged more than 21 years will be eligible for assistance, unless he is unable to earn livelihood and maintain his parents.	The Department of Social Welfare application on a prescribed form made to the assistant Deputy Collector/District Collector concerned, upon sanction of assistance to the pensionary amount is remitted to the beneficiaries by M.O. ones every two months.
Kerala	Kerala Special Pension Scheme for the physically handicapped & disabled mentally retarted (1982)	Rs. 75/- p.m.	A person whose income is less than Rs. 75/- p.m and also whose family income does not exceed Rs. 300/- p.m. the disability as far as the physically handicapped is	The Village Officer shall complete enquiries within two months from date of application and forward it to the Tehsildar. The Tehsildar will be the

1	2	3	4	5
			concerned will be certified by the Medical Board for the physically handicapped constituted by the Govt. that of mentally retarded will be certified by the Medical Officer not below the rank of an assistance, surgeon in government service with specilisation in psychiatry.	sanctioning authority. The Tehsildar and village Officer shall maintain register for the pensioner. The amount of pension sanctioned, will be remitted by M.O.
Nagaland	Totally blind pension	Rs. 60/- p.m.	— — —	——
Nagaland	Handicapped student scholarship scheme	From Rs. 35 to Rs. 125/-p.m.	From class A to bachelar degree.	——
Tamil Nadu	Destitute physically handicapped pension scheme (1974)	(As in old age pension)	The applicant should be 45 years of age or above (age relaxation by the district collector in extra ordinary case) and the disability should be 50% or more. He/she has no means of sub-sistence and no close relative to support, at least one year's residence in the state.	(as in old age pension scheme)
West Bengal	Disability/pension scheme	Rs. 60/- p.m.	A person who is a deaf and dumb or blind or orthopeadically handicapped or mentally retarded and permanently incapacitated to earn a living and is resident of West Bengal and whose income does not exceed Rs. 50/- per month.	
Maharashtra	Voluntary Agencies in the field of medical care and public health	— —	As a large number of voluntary agencies benefit the poorer section and the lower middle class both in urban and rural areas. The services for the poor are usually free, others are required to pay nominal charges or fee. The relatively a small voluntary institutions usually provide only out patient se-rvice, the diagnostic facilities and specialist services, Some of the larger institutions, however, provide expanded facilities,including hospitalisation, on a sufficiently wide scale. These voluntary bodies/trust are financed by voluntary donations, government grant-in-aid and the small fees which they charge for their services. The government of Maharashtra has formulated a scheme for financial assistance to voluntary institutions for estabilishing medical services and to upgrade and to improve the existing services.	

1	2	3	4	5
Tamil Nadu	Voluntary Health Services (VHS) (1963)	The medical aid plan of VHS entitles a member upon payment of contribution varying from Rs. 12/- to Rs. 300/- p.a. depending on the monthly income, to a free annual medical check-up for all members of the family and to concessional rate of fees for medical treatment, surgical procedures, etc. in the VHS hospital. Those earning below Rs. 200-/ p.m. are treated free of charge.	—	The hospital receives large aid from the Govt. of India, Tamil Nadu Govt. and several charitable trusts. During 1986-87, the out-patient department of the hospital had a total attendance of over 43,300 which in terms of daily attendance works out to about 119. The total number of inpatients treated during the year was 6,621.
Maharashtra	Employment Guarantee scheme (1979)	Upon an applicant seeking employment, it becomes the duty of authorities concerned to employ him within 15 days of the application. The daily wages correspond to the min. Wage fixed from time to time under the Minimum Wages Act for Agricultural workers in the State. If the work is not provided within a period of 15 days from the date of application, unemployment allowance becomes payable at the specified rate for such allowance. In the event of death or disability due to an accident, financial assistance of Rs. 5000/- is given for death and an amount related to the degree of disability in the case of an injury. Women workers are allowed maternity benefit for 6 weeks at a rate equivalent to their wages.	There are no hard and fast eligibility conditions, except that the individual should be an adult residing in a rural area and willing to do unskilled work.	The scheme is administered by the Planning Department of Maharashtra State A separate division-for the Employment Guarantee Scheme has been set up within the Department. A person has to register himself with the village authorities (Taluka) Wages are paid on weekly basis. Mandays of employment generated per year during 1984-85, 1985-86 and 1986-87 were 178, 190 and 164 million respectively. Expenditure on an average, has been of the order of about Rs. 2,200 million annually of which 15.20% was administrative expenditure. Expenditure has been progressively increasing from year to year.
Gujarat	Unemployment Relief for the educated unemployed (1979)	i. S.S.C.- Rs. 50/- p.m. ii. Graduates - Rs. 75/- p.m. iii. Post-Graduates – Rs. 100/- p.m.	The applicant must have passed at least the SSC (Matric) Exam; he must be between 20 to 30 years of age; he must be a resident of Gujarat State; he should not be a student; he should not be a pensioner; or a dismissed Govt. servant; his annual family income should not exceed Rs. 4,800/-; he should not be in receipt of any financial assistance or relief exceeding Rs. 600/- p.a.; and he should not be an offender guilty of moral turpitude.	The Department of Labour and Employment, Govt. of Gujarat is the administrative department. Executive authority vests in the Dist. Employment Exchanges, which are competent to sanction the allowance. In 1986-87, the number of beneficiaries was 446; funds allocated was Rs. 1·60 million; amount paid as assistance was Rs. 0.53 million and the administrative expenditure was Rs. 0·68 million.
Kerala	Unemployment Assistance Scheme (1982)	Unemployment assistance is payable at the rate of Rs. 50/- p.m.	The applicant should have passed SSLC Exam; his family income should be less than Rs. 4000/- p.a.; he should have been unemployed and validly registered with an Employment Exchange; he should	The applicant has to make an application to the Employment Officer who after necessary inquiries shall determine the eligibility. The monthly allowance is disbursed once in 4 months by the National

1	2	3	4	5
			not be a student; he should be in the 18 35 age group and he should not be in receipt of any other pension	Employment Service Depart ment. The Directorate of Employment and Training is in overall charge of the scheme.
Maharashtra	Unemployment Relief-Financial Assistance to Educated Unemployed (1979)	Part 'A' of the scheme covers unemployed graduates/diploma holders Persons are paid an honorarium of Rs 100/- p.m. and are required to work for 3 4 hours per day for 15 days in a calender month. Such part-time work is not reckoned as Govt. Service. The benefit is payable for a max. period of 3 years or upon full time employment being secured by the receipient of benefit, whichever is earlier. Part 'B' of the scheme covers persons who passed SSC Exam An amount of Rs 100/- per year for a period not exceeding 3 years is payable. The beneficiary is not required to do any work.	The applicant must have acquired the prescribed educational qualification from a school or higher institution (college, etc) in Maharashtra; he must have been borne on the live register of an Employment Exchange in the State for at least 2 years in case of backward class candidate and for at least 3 years in other cases	At the State level, the Director of Employment is the Controlling Officer and at the district level, the collector of each district is responsible for implementation of the scheme. Coordination is achieved through Distt. Coordination Committee in which the officials, officials of the Employment Exchange and the Distt. Social Welfare Officer are associated. The collector operates the funds and the Tahsildars make payment to beneficiaries on the basis of the eligibility list received from Social Welfare/Emp loyment Exchange Officer.
Tamil Nadu	Unemployment Relief Scheme (1980)	Graduate/Post-graduate in any faculty; Rs 100/-p.m Under Graduate (10+2) - Rs. 75/- p m SSLC (Matric) and other categories Rs 50/- p m.	He must be SSLC pased or undergraduate/post-graduate should be resident of Tamil Nadu for at least 15 years Should be in the Live Register of an Employment Exchange for over five years or if blind for over 3 years; he should be in the age limit of 35 years or, 40 or if blind or belonging to a Schedled Caste/tribe ; his parents total income should not exceed Rs 2000/- p.m.; he should not be a student; and should not be earning more than Rs. 50/- p m.	Department of Employment and Training has the overall responsibility Payment is made on quarterly basis by credit to the Savings Bank Account of the beneficiary in a branch of the State Bank of India. In 1986-87 number of beneficiaries was 1,45,736; amount paid as unemployment relief was Rs. 92 48 million ; and administrative expenditure was Rs. 1 16 million
West Bengal	Unemployment Assistance Scheme (1985)	— — —	30 40 years, relaxable for SC/ST and physically handicapped persons, personal income and family income should not exceed Rs 50/- and Rs. 500/- p m respectively; not more than one member of the family is eligible for unemployment assistance provided he/she has not received any financial assistance from the Government.	

CONCEPTS AND DEFINITIONS:

The important concepts and definitions adopted for the enquiry are as follows:—

(i) *Household :* A group of persons normally living together and taking food from a common kitchen constituted a household.

(ii) *Household size :* The household size is the number of normally resident member of the households. Those persons who normally pass nights under the same kitchen will be considered as normally resident members, irrespective of the length of stay in the household. Normally resident members will exclude guests but include temporary absentees.

(iii) *Rural Labour Households :* A household was classified as rural labour household depending upon its largest source of income. For this purpose, the following sources of income were considered :-

1. Wages paid manual labour (agricultural and/or non-agricultural;
2. Paid non-manual employment; and
3. Self employment (own account work and/or employment as unpaid family workers).

A household was classified as rural labour household if its largest source of income was the first of the above three categories, i.e. if wage paid manual employment contributed more towards the income in the 365 days preceding the date of survey than other two sources taken individually.

"Manual work" was taken to mean a job essentially involving physical operations. However, a job, though essentially involving some physical labour but also requiring a certain level of general professional, scientific or technical education like that of engineers, doctors, dentists, midwives, etc. was not classified as manual work and on the other hand, jobs not involving much of physical labour and at the same time not requiring much educational background, like that of chowkidars, watchmen, etc., were treated as manual work. 'Wage-paid manual labourer' was considered to be one who did manual work in return for wages in cash or in kind or partly in cash and partly in kind (excluding exchange labour). Salaries for manual work were also counted **as** wages. A person who was self employed in manual work was not treated as wage paid manual labourer.

(iv) *Agricultural labour*: A person was treated as agricultural labour if he followed one or more of the following agricultural occupations in the capacity of labourer on hire or in exchange whether in cash or in kind or partly in cash and partly in kind:

(a) farming, including the cultivation and tillage of soil, etc.;

(b) dairy farming;

(c) production, cultivation, growing and harvesting of any horticultural commodity;

(d) raising of livestock, bee-keeping or poultry farming; and

(e) any practice performed on a farm as incidental to or in conjunction with the farm operations (including any forestry or timbering operations and the preparation for market and delivery to storage or to market or to carriage for transportation of farm products). It might be noted that manual work in fisheries was excluded from the category of agricultural labour.

(v) *Agricultural labour households*: Such of the rural labour households which derived major portion (more than 50 percent) of their total income during the last 365 days preceding the date of enquiry from wage paid manual labour in agricultural occupations only were regarded as agricultural labour households.

(vi) *Rural labour household with land*: Household with cultivated land, either owned or taken on lease, were regarded as household with land. Cultivated land was taken to mean net areas own during the agricultural year i.e., July 1976 to June 1977 (preceding the year of enquiry) and included orchards and current fallows.

(vii) *Earnings*: Earnings meant payments received in cash or kind or both cash as well as kind or those that were receivable for the work done during the reference week, earnigns in kind included perquisites that a person received customarily for the work performed. Recurring perquisites included foodgrains, cooked meals, fuel, tobacco, etc., and non-recurring perquisites included housing, clothes, shoes bonus, etc.

APPENDIX-V

. (Para 4.13.11)

STATEMENT ON THE DETERIORATING EMPLOYMENT SITUATION IN THE RURAL AREAS AND MEASURES FOR THEIR IMPROVEMENT

Nearly 75 per cent of the workforce of this country lives in the rural areas. In spite of seven five-year plans and the declared goals of development, they continue to live in poverty and misery. Many millions of them live below the poverty line. They have no means of livelihood, and, therefore, no incomes. They continue to live in sub-human conditions, far away from the limelight in which the problems of urban areas receive attention. They are perhaps the worst victims of unemployment, under-employment, deprivation and exploitation in the country.

Their poverty cannot be liquidated or even alleviated without providing opportunities for employment. These opportunities have to be created in the villages in which workforce resides, and have to keep pace with the natural increase in population. Yet the present pattern and plans of development are not oriented towards the creation of adequate opportunities of employment in the rural areas. The location of a few plants of heavy or high-tech industries in the rural areas cannot produce, has not produced, adequate jobs for the rural workforce. In fact the pattern of industrialisation that is being followed has only led to the destruction of the opportunities for employment that existed in the rural areas in the form of rural crafts and industries. This has led to steady deterioration in the employment opportunities and the living conditions of the rural workforce resulting in concealed bonded labour, acute unemployment, migration, desitution and increasing resentment and disillusionment.

The time has, therefore, come for a reappraisal of the present policies of "development" to ensure that the condition and the problems of the rural workforce is to receive justice, and if the growing unrest in the rural areas is to be stemmed before it acquires explosive dimensions. Policies must be re-oriented, first of all, to protect and preserve crafts and rural industries that can provide employment in the rural areas, increase their efficiency, provide incentives and capital, and training and skills, (including the skills of management and marketing), even as they are made available to urban or semi-urban industries, and secondly adopt a pattern of industrialisation that can result in the growth of viable small scale industries in the rural areas.

The problems of the rural workforce are compounded by the absence of effective organisations, both among the employed and the unemployed. We believe that the organised trade unions and voluntary associations of the country have a distinct role to play in promoting the consciantisation and effective organisation of the rural workforce. Organisations that believe in the solidarity of working class cannot ignore their responsibilty to assist in the struggle of the rural working force for employment, job security, a living wage, and working and living conditions that ensure a fair standard of living and a higher quality of life.

APPENDIX-VI

(Para 4.13.11)

STATEMENT ON THE PROBLEMS OF INDUSTRIAL REFUGEES

The Consultation meet reviewed the serious situations of unrest that are developing in many of the areas that have been selected for the location of super thermal power projects, chemical and industrial undertakings and large dams. Most of these sites are located in forest areas where resources are located, or where it is easy to construct dams across rivers. Vast areas, often even beyond legitimate and justifiable requirements, are allotted or allowed to be acquired by these projects at costs that are concessional, in some cases nominal. The Forest Act and Tenancy Act are often ignored or circumvented. These projects lead to the destruction of extensive areas of prime forests, bringing in its trial ecological consequences of deforestation. Projects for the construction of dams or the generation of hydro-electricity lead to the submergence of vast areas — including thousands of hamlets — under water. Some other industries acquire the right to destroy irreplaceable forests at ridiculously low returns to the state or society. All these projects result in the displacement or uprooting of thousands of families who live in the forest areas that are chosen for the location of such projects. The destruction or pauperisation that the ese projects that are installed in the name of development, cause to the inhabitants of the area are not given adequate or effective consideration. Thousands who, are uprooted not only lose their ancestral lands and traditional rights of access to and use of forest produce, but in fact lose their very means of livelihood and the identity that they had in their traditional geographical locations. Their tribal culture and personality are virtually extinguished. and they are thown into a society with an economic and legal system with which they are unfamiliar. They are promised compensation, resettlement and preference in employment; but these promises remain on paper. When jobs are offered, they are usually at the lowest level or as casual or contract labour. Even decades after their displacement, in many cases, they have not received compensation or secured homestead sites or employment. Sharp on lookers from outside often run away with the relief that was promised to the displaced, while genuine displace persons find themselves forced to fight legal battles that became necessary to avail of the relief that was promised to them. New land is not allotted. Titles are not recorded or handed out. The same displaced families face successive waves of displacement when land is alloted for new ventures in the same region, as had happened in Kaimur belt in U.P. They are thus turned into permanent refugees in the name of the industrial development.

Declarations about preference for jobs became a mockery when applications are rejected on the ground of inadequate qualifications or incompetence. There seems to be no realisation of the fact that what has been taken away from them is their traditional means livelihood, and the loss of means of livelihood cannot be compensated by a sum of money, unless the financial compensation is backed with the provision of skills and resources so that the compensation can be converted into a base for the acquisition of a new means of livelihood. This consultative meet therefore, believes that every scheme that involves displacement of large numbers of people must provide and assure these basic elements of social justice to those who are adversely affected by the selection of sites, and that the government as well as the project that cause the uprooting of people must provide full and effective financial and supportive compensation through the allotment of land; homestead sites and titles, pre-project programmes of training in new skills, and the assurance of employment in the new industries with full access to the legal rights of permanent employees. and opportunities for vertical movement, upwards. or ancilliaries that can develop around them.

APPENDIX-VII
(Para 7.4)

The Workmens' Compensation Act, 1923

Schedule I

Part I-List of Injuries deemed to Result in Permanent Total Disablement

Sl. No.	Description of Injury	Per cent of loss of earning capacity]
1	Loss of both hands or amputation of higher sites	100
2	Loss of a hand and a foot	100
3	Double amputation through leg or thigh, or amputation of leg or thigh or one side and loss of foot	100
4	Loss of sight to such an extent as to render the claimant unable to perform any work for which eye sight is essential	100
5	Very severe facial disfigurement	100
6	Absolute deafness	100

Part II-List of injuries deemed to result in Permanent Partial disablement (restricted to 70% or more)

Amputation case– upper limbs (either arm)

1.	Amputation through shoulder joint	90
2.	Amputation below shoulder with stamp less than 8:: from tip or acromion	70
3.	Amputation from 8:: from tip of acromion to less Amputation case (lower limbs) . . .	70
1.	Amputation through both feet resulting in end bearing stumps	90
2.	Amputation through both feet proximal to the meta torsophalangeal joint	80
3.	Amputation below hip with stump not exceeding 5:: in length measured from tip of great trenchanter	80
4.	Amputation below hip with stump not exceeding 5: in length measured from tip of great strenchanter but not beyond the middle thigh .	70

APPENDIX-VIII
(Para 8.15)

HEALTH INSURANCE FOR RURAL WORKERS

BACKGROUND

Health is a state of complete physical, mental and social well being and not merely the absence of illness, disease or infirmity. It is the fundamental right and the attainment of the best possible health is a social objective.

The National Health Policy of the Government of India emphasises more on preventive and promotive aspects than on curative aspect of health care. One of the important targets to be achieved by the country before the turn of the century in the area of health is "Health for all".

1. Primary and Preventive Health-care in rural India

In rural India the health-care facilities and especially the preventive health-care have improved substantially during the planned development of about four decades.

The network of health care available in the rural areas is largely an infrastructure of primary health care which seeks to provide total health care, free of charge, at an accessible location. This infrastructure includes sub-centres, Primary Health Centres and Community Health Centres. The sub-centres and the PHCs seek to provide treatment of day-to-day minor ailments apart from maternity and child health care. In the Community Health Centres Specialists services are being provided apart from the facilities for hospitalisation, laboratory tests and X-ray. A Community Health Centre caters to the population of about one lac. The latest data available indicates that we have 1,12,103 sub-centres, 16954 Primary Health Centre and 1469 Community Health Centres. About 6 lakh trained 'dais' and 4 lakh health guides also provide support to this network.

The National Health Programmes to control diseases like Malaria, Filaria, Kala-azar, smallpox, leprosy, tuberculosis, blindness, cancer, goitre etc. have been found to be successful in preventing and reducing the occurrence of such diseases.

The Indian Systems of Medicine which include all the non-allopathic systems of medicine and regimens excluding Homeopathy like Ayurveda, Siddha, Unani, Nature Cure, Yoga also support the rural health-care network.

With a view to reducing the morbidity, mortality and disability due to diphtheria, whooping cough, tetanus, tuberculosis, polio, measles etc. Expanded Programme on Immunisation is being vigorously implemented by the Government through the existing health-care delivery system. This works as a very effective and efficient low-cost technology for child survival and prevention of disabilities.

Thus, in India, the gap between the preventive health-care facilities available in rural areas and those in urban areas has largely been bridged over the years by the concerted efforts of the Government's health plans.

2. Treatment of major illnesses

2.1 Public Hospitals:

In India, though the gap in preventive health care between the rural and urban areas has largely been bridged, the same is not true for curative health care and especially for major illness. Here the gap is very wide. The number of hospital beds in the urban areas is more than five times those in rural areas. In our country, the vast population living in rural areas and especially the poor, at times, does not get the medical and surgical facilities required in case of major illnesses or accidents when these facilities are needed most.

As the facilities available in the rural areas are totally inadequate in case of a major illness or accident, rural poor have to travel long distances to go to the towns where the required facilities are available free of charge in the Governmnet or municipal hospitals. The number of hospitals owned by the Government and local bodies is 4,334 with the bed capacity of 4,10,772. The number of such hospital, their total bed capacity and the diagnostic and curative facilities, apart from trained manpower available in these hospitals is grossly inadequate in comparison with the vast demand for these services. The service levels in these municipal/Government hospitals are also very low because of the heavy pressure on the system.

2.2 Private Hospitals:

If we look at the network of private hospitals in the country, the scene is not very encouraging. The latest available data indicates that we have, 5,497 private hospitals with the bed capacity of 1,75,117. A very large number of these hospitals are in major urban centres. This indicates that the private health care network is hardly in a position to support or act as a substitute to the Government network, especially for the rural population.

This paper examines the feasibility of private medicare as a possible alternative to the network of facilities founded by the Government or by the local bodies.

3. Is Private Medicare the answer

A large number of our population, especially in rural areas, cannot afford treatment in private hospitals and they have to resort to the free-of-charge treatment available in the Government/Municipal hospitals. Due to the prevalent high levels of expenses on medical treatment and the low levels of income prevailing in the country, the pressure on these hospitals is tremendous and they are overcrowded most of the time. This often results in non-admission of the patients needing immediate treatment. The condition of the patient may deteriorate or he may even die before he gets admission in the hospital.

In the light of these circumstances one may consider the relevance of the mediclaim insurance policy of the general insurance industry. The following few pages introduce and describe the benefits available under the existing mediclaim scheme offered by the industry.

3.1 Mediclaim Insurance Scheme

Introduction :

This policy is designed to provide for reimbursement of medical expenses incurred in India by the insured in treatment of any disease or illness or accidental bodily injuries (barring some specifically excluded illnesses) at any clinic/nursing home/hospital or for any treatment taken at home (exceeding three days and barring specific exclusions) on account of Domiciliary hospitalisation.

Coverage period :

For diseases hospitalisation cover starts after 30 days from the commencement of the policy. However, it is not appilcable to renewal policy.

Age :

The insurance is available to persons between 5 and 70 years of age.

Schemes :

Scheme 'A' covers Hospitalisation and Domiciliary Hospitalisation and Personal Accident benefits.

Scheme 'B' covers Hospitalisation and Domiciliary Hospitalisation Benefit insurance only.

Premium Rates (per person per annum)

	Category					
(a) Scheme 'A'	I	II	III	IV	V	VI
HO—B & PA Rs.	1500	950	700	Cover not available.		
Additional Premium Rs. for Heavy Risks like working in Mines, Explosives etc. engaged in of Hazardous ports etc.	100	55	50			
(b) HD HB alone Rs.	1300	840	600	350	250	200

Exclusions :

No liability in respect of any illness/disease/injury caused by :

(a) Cosmetic, aesthetic treatment of plastic surgery unless due to an accident.

(b) Dental treatment/surgery unless necessitated by an accident or due to a constitutional disease.

(c) Convalescence, nervous breakdown, general debility rest cure congenital defects, general diseases insanity, international self injury, disease or injury attributed to intemperance or use of intoxicating drugs or liquors.

(d) Diagnostic, X-Ray or laboratory examinations not consistent with or incidental to the diagnosis and treatment of positive existence or presence of any ailment, sickness or injury for which confinement at a Hospital, Nursing Home, Clinic or at home under Domiciliary Hospitalisation is required.

(e) Vitamins or tonics unless forming part of treatment.

(f) Voluntary medical termination of pregenancy during first 12 weeks from date of conception or any treatment arising from or traceable to pregenancy/childbirth including normal ceasarian section

(g) Under Domiciliary Hospitalisation, diseases like asthama, bronchitis, chronic nephritis, nephrotic syndrome, diarrhoeas, all types of dysenteries including gastro enteritis, diabetres mellitus, insipious, epilepsy, hypertension, influenza, cough, cold, all psychiatric or psychosomatic disorders, viral fever of less than 10 days duration tonsillitis, pyrexia or unknown origin and upper respiratory tract infection including laryngitis and phyringitis.

Claims :

(a) Preliminary notice of claims should be given to the insurer within 7 days from the date of death, injury, hospitalisation domiciliary hospitalisation.

(b) Final claim along with hospital receipted bills, cash memos, etc. must be submitted to the Company within 15 days of the completion of treatment in the hospital or at home.

(c) When treatment is given at home, a certificate from a Registered Medical Practioner will be required, certifying necessity for hospitalisation but allowing the patients confinement at home for necessary medical attention under one of the specified circumstances like the condition of the patient not permitting hospitalisation lack of accommodation in the hospital or the patients preference to be confined at home with the approval of the doctor.

(d) for the same illness benefits payable shall be either under Hospitalisation benefit or Domiciliary Hospitalisation benefit but not under both.

(e) Claims will be paid only in Indian Currency.

(f) Under "Domiciliary Hospitalisation Benefit", Company shall be liable only when the period of treatment exceeds 3 days:

(g) "Part Payments" are normally discouraged. However, in case of continuous treatment "Part Payment" facility is made available whereby 80 per cent of admissible expenses are paid subject of course to the admissibility of the claim.

Tie-up Arrangement :

The general insurance industry has been endeavouring to make arrangements with various reputed hospitals/nursing homes in different cities whereby the insured can get treatment in these hospitals without any prior payment. The hospitals are authorised to render service to the insureds on production of insurance certificate subject to the limits available to their credits under the policy. The hospitals are directly paid by the insurance companies for admissible claims. At present, this arrangement is finalised with 23 hospitals in various cities all over the country.

The mediclaim scheme as described above including the tie-up arrangemnt acts mainly as a financing mechanism for hospitalisation in the private hospitals. This may perhaps reduce the burden on the Government/Municipal hospitals to some extent.

3.2 **Feasibility**

If we look at the private sector medical care in the rural areas, the scenario is not very encouraging in most parts of the country. There are very few hospitals in the nearby small towns which provide for all the facilities for diagnosis and treatment of major diseases or surgical operations. If we merely look at the bed capacity of hospitals in rural and urban areas, as against 93,069 beds in rural areas. We had as many as 4,92,820 beds in urban areas in January 1988. The problem is further aggravated by the fact that a large majority of our population lives in rural areas.

The problems in going to the cities and arranging the treatment apart from the cost are innumberable. A rural worker who has perhaps never before crossed the boundary of his village or taluka will not be able to go to a big city where he may not know anyone. He will neither have shelter and support to stay in the city nor will he have the ability to deal with the hospitals and Doctors independently.

Private medicare presupposes the existence of an extensive and well established network of hospitals and other outlets which cater to the health related needs of people. Any social security measure to provide private medicare to rural workers presupposes an extensive network of reputed hospitals throughout the country and largely in rural areas. The present infrastructure of reputed private hospitals in or around rural areas is inadequate to cope with the type of load it may face with the introduction of such a social security measure.

We do not have good private hospitals which can provide modern facilities of medical treatment in all the District HQs or towns. Under such circumstances private hospitals who may try to treat or perform surgery on a person without adequate facilities which may lead to further complications. In order to earn more money they may also provide treatment which is not required. The possibility of such and other malpractices is not ruled out.

Keeping in view limitations of resources, some financial limits will have to be beyond which the treatment can not be made available. If the actual expenses exceed these limits the hospital may be required to recover the same from the patient. The patient here will be a rural poor. He will not be in a position to pay this additional expenditure to the hospital and as a result the hospital may be forced to discontinue the treatment half way or even discharge the patient or ask for advance deposit at the time of admission of the patient. This may lead to a lot of inconvenience, complications and disputes and may defeat the very objective of private medicare to relieve poor of tension, anxiety and financial burden in an hour of need.

For the various reasons mentioned above private medicare does not appear to be a feasible alternative which can act as a substitute to the public hospitals for the rural poor.

4. More Public Hospitals the answer..

As seen in the previous section, private medicare is not an answer to the healthcare problems of rural poor The rural population needs hospitalisation facilities near their home and only then, they will be in a position to avail of the treatment and facilities made available. The only solution to this problem appears to be more hospitals, beds and other infrastructural facilities by the Government and the local bodies spread throughout the country and reaching the remotest parts of rural India.

Public hospitals will not be guided by profit motives and can be opened anywhere depending on the needs of the area as against the private hospitals which would prefer to operate in areas which promise to provide the maximum return on investment.

In public hospitals, malpractices like unnecessary treatment with a view to earn more money or treatment in the absence of adequate facilities are not likely to occur.

Thus more public hospitals with adequate facilities and efficient systems can be the only answer to the health problems of the rural poor.

APPENDIX IX
(Para 9.54)

A NOTE ON COMPREHENSIVE CROP INSURANCE SCHEME

INTRODUCTION

The comprehensive Crop Insurance Scheme (CCIS) is an area-based and credit linked scheme. It is voluntar yin nature. In other words states are free to opt in favour of this Scheme. The Scheme was introduced in the country at the commencement of the VIIth Plan. By the end of 1987-88 this Scheme has been implemented by 17 States and 4 Union Territories.

2. **Objectives**

The objective of the Scheme is as under :—

(i) To provide a measure of financial support to the farmers in the event of crop failure as a result of natural calamity;

(ii) To restore the credit eligibility of farmers after a crop failure for the next crop season; and

(iii) to support and stimulate production of cereals, pulses and oilseeds.

3. **Content**

All farmers availing crop loans from Cooperative Credit Institutions, Regional and Rural Banks and Commercial Banks for growing wheat, paddy, millets, pulses and oilseeds crops are eligible for insurance coverage under the Scheme. The sum insured is equivalent to the amount of loans disbursed for notified crops subject to a maximum of Rs. 10,000/- per farmer. The premium payable is 2% of the sum insured for wheat, paddy and millets and 1 per cent for oilseseds and pulses. 50% of the premium payable by small and marginal farmers is subsidised equally between Central and State Government. Indemnity claims under this scheme are shared between Centre and State Government in the ratio 2 : 1. If the actual average yield in any area notified under this Scheme to the extent of falls short of guaranteed yield fixed for that area, then the farmers who have availed of crop loans for insured crops are entitled to an indemnity under the Scheme to the extent of short falls in the yield vis-a-vis the guaranteed, yield. The State Governments have under the Scheme established crop insurance fund for its administration. This Scheme provides that unit area of crop insurance known as defined area may be District/Tehsil/Taluka/Block or a small continuous area depending upon whether the States have yield data at that level for last 5 years and it is possible to conduct 16 crop cutting experiments in each of the area notified for every insured crop at the end of every season. State Governments have been authorised to notify the defined area. Presently, in most of the implementing states the unit area of crop insurance is Tehsil/Taluka/Block.

If there is short-fall in the actual average yield per hectare of the insured crop, each of the insured farmers growing that crop in the defined area is eligible for indemnity calculated as under :—

$$\frac{\text{Short-fall in yield}}{\text{Threshold yield}} \quad \text{Sum insured for the farmer}$$

A statement showing statewise progress of the Scheme upto Kharif 89 is enclosed at Annexure-1.

4. **Short Comings**

Number of short comings in the existing scheme have been noted as follows:—

(i) Voluntary nature of scheme where under States like Punjab and Haryana with low risk have chosen not to implement the scheme.

(ii) Adverse selection of areas in other states which have implemented the scheme.

(iii) Low rate of premia.

(iv) Pre-dominance of rainfed crops like oilseeds, millets and pulses.

(v) Deficiency in the crop cutting machinery.

Some states did not implement the Scheme at all. States like Punjab and Haryana felt that unit size of crop insurance scheme should be brought down to the village level and the indemifiable limit of 80% was not attractive enough for the farmers. For reducing the unit size of crop insurance, most of the implementing states did not have arrangements for conducting the required number of crop cutting experiments.

5. **Suggestions for improvement**

In December, 1987 a group was constituted under the Chairmanship of Shri K. N. Ardhnareeswaran, the then Additional Secretary in the Department of Agriculture & Cooperation, to make in depth and critical review of the functioning of CCIS. Some of the important changes recommended by the Committee for improving the functioning of CCIS are as follows:—

(i) The CCIS should be implemented on a compulsory basis throughout the country. The State which decides to implement the scheme would have to implement it for a period of 5 years.

(ii) In place of constant premium being charged at present, differential rate of premium based on actuarial calculation, per state/per crop/per season be charged with a subsidy from the Central and State Governments on matching basis, beyond 2% of the rates of premium for the small and marginal farmers and beyond 5% of rates of premium for other farmers.

(iii) The sum insured per farmer be restricted to 150 per cent of the loan disbursed subject to a maximum of Rs. 7500/-

(iv) No other crop need be included under CCIS. However, any implementing state may formulate and run a separate insurance scheme out of their own budgetary resources for other crops which are presently not covered under the CCIS.

(v) There should be a separate arrangement for administration of the CCIS by a Corporation to be established under an Act of Parliament.

(vi) The crop credit system and crop cutting machinery of the State Government should be improved.

(vii) Since most of the losses under the CCIS have occurred in the State of Gujarat during the first 3 years of the VIIth Plan, the Committee recommended that the Central Government may advice the State Government to formulated 9 suitable scheme for implementation in the State.

(viii) Coverage non-loanee farmers also under the CCIS may be considered at an appropriate time in future too.

6. Working Group's (VIII Plan) Recommendation

The concept of crop insurance in India can never be a commercial proposition. It can only be a social welfare measure for the benefit of the farmers. With this end in view the working group on Agricultural Credit & Cooperation (including Crop Insurance) 1990-95 recommended that this Scheme should be continued during the VIIth Plan with the following improvements which take into account suggestion made by State Governments.

(i) The Scheme should cover only loanee farmers and exclude non-loanee farmers.

(ii) At present the coverage under the CCIS is confined to the crops of foodgrains, oilseeds and pulses which are nationally important. Many States have been urging coverage of other crops which are important for their economy. For instance, Himachal Pradesh has requested for apple crop. Maharashtra for cotton crop and U. P. for sugarcane. Keeping this aspect in VIIth Plan, the State Government should be encouraged to formulate and run special Schemes for other crops through the GIC on the lines of the CCIS. In such Schemes, the major partcipation will be of the State Governments.

(iii) The present arrangements of sharing of compensation between Central and State Governments in this ratio 2:1 for the Nationally important crops like foodgrains, millets, oilseeds and pulses may continue. However, as regards the Special Scheme, which the States may run themselves such sharing between Central and State Governments should be in the ratio 1:2.

(iv) In the VII Plan the claim ratio has been very high because of the huge financial outrage for the payment of claims compared to the very low premia. In the VIIth Plan it is suggested that the rates of premia should be charged from all experience during the actuarial considerations.

(v) From the experience during the VIIth Plan it has been seen that not enough attention has been paid by the implementing States to improve their crop cutting machinery. In the CCIS the crop cutting experiments be ing conducted by the implementing States are of vital importance in determining the shortfall and the threshold yield and the actual average yield for every season. The States should have proper staff and equipment to conduct these experiments. A reduction in the present unit size of crop insurances (which is Tehsil/Taluka5Block in most of the States) to the village/Gram Panchayat level will be possible if the crop cutting machinery in implementing States is sufficiently strengthened. Therefore assistance to the State Government in strengthening the crop cutting machinery should form an important plan of the CCIS in the VIIIth Plan.

(vi) A number of writ petitions and suits have been filed in some High Courts by farmers challenging various aspects of the CCIS including the extent of claims payable/paid. GIC is functioning mainly as an agent on behalf of the Central Government in implementing the CCIS and is unable to fully face its challenges. Now that the concept of crop insurance has become an important instrument of government policy it is desirable to impart a legal status to the concept the establishment of a Central Corporation for conducting crop insurance business in India may be considered. The corporation established could handle the crop insurance Programme presently entrusted to the GIC.

(vii) To ensure that the agricultural loans disbursed to the farmers are actually utilised by them for growing the insured crops, adequate supervision and monitoring arrangements should be made in the VIIIth Plan. The credit disburse banks and National Bank should be responsible for monitoring and supervising arrangements under the CCIS. Besides, there is no field level agency to look into the problems of farmers in the implementation of the CCIS and to coordinate with various agencies. District Development Officers for the effective implementation of the scheme. They would also be responsible foı liasion with various agencies and for the redressal of the grievances of farmers in so far as crop insurance is concerned.

(viii) There would be no change in the area approach of the scheme where under indemnity is payable to all farmers availing of crop loans from credit Institutions for insured crops in area notified under the Scheme.

7. The Comprehensive Crop Insurance Scheme has come at the right time as country has entered in the second phase of the Green Revolution when greater stress is being laid on increasing production (specially in dry Land areas Viz., millet etc., crop) and productivity in the hitherto agriculturally backward areas. The scheme will not only provide a measure of financial support to the poor farmers cultivating these lands in the event of crop failure mainly on account of natural calamities, but also restore their credit-worthiness and ultimately help to mitigate the problems connected with recurring food shortages.

G. Loanees or Non-Loanee

Mostly marginal farmers are agricultural labourers. If their crops are insured, the weakest class in the rural areas also will be protected from natural calamities and they will be encouraged to increase the production of agricultural crops especially rain fed crops.

State-wise progress of Comprehensive crop insurance scheme from Kharif to Rabi 1989-90

Sl. No.	State/Union Territories	Total No. of Farmers covered	Area covered (Hectares)	Sum Insured (Rs. lacs)	Premium (Rs. lacs)	Total Claims (Rs. lacs)	Claim Ratio (Claims as % of Premium)	Loss Ratio (Claims as % of Premium)
1.	ANDHRA PRADESH	3770999	7077738	118100·31	2072·13	7574·56	365·54	6·41
2.	ANDAMAN & NICOBAR	1656	3549	47·58	0·86	2·10	253·49	4·58
3.	ASSAM	168697	64568	1218·25	20·78	26·27	126·42	2·16
4.	BIHAR	1978862	2218012	44329·36	886·58	1266·06	142·80	2·86
5.	DELHI	372	1359	26·37	0·53	.	0·00	0·00
6.	GOA	6279	6667	51·35	1·03	3·08	299·03	6·00
7.	GUJARAT	2274064	6423762	88932·34	1106·41	32990·27	2981·74	37·10
8.	HIMACHAL PRADESH	19400	22377	224·04	4·48	28·29	631·47	12·63
9.	JAMMU & KASHMIR	54586	77358	789·78	15·80	65·20	412·66	8·2
10.	KARNATAKA	752350	1292229	21089·35	339·72	1480·44	435·78	7·02
11.	KERALA	218308	274203	6392·02	125·80	192·54	153·05	3·01
12.	MADHYA PRADESH	2058372	5589553	30119·76	506·45	1993·68	393·66	12·65
13.	MAHARASHTRA	5711206	7940729	81833·38	1431·70	10351·33	723·01	0·00
14.	MANIPUR	8840	4759	191·77	3·84	..	0·00	0·00
15.	MEGHALAYA	7300	12741	139·72	2·73	3·53	129·30	2·53
16.	ORISSA	1081814	1820816	20504·96	410·50	1414·50	344·92	6·90
17.	PONDICHERRY	6636	10717	430·86	8·63	3·84	44·50	0·59
18.	RAJASTHAN	535800	1564600	8296·89	159·78	2292·59	1434·34	27·63
19.	TAMILNADU	737864	1057974	25374·58	460·37	364·06	79·46	1·43
20	TRIPURA	28126	18581	459·11	9·18	6·03	65·69	1·31
21.	UTTAR PRADESH	2762211	53332931	43130·06	851·59	416·93	48·85	0·96
22.	WEST BENGAL	2236884	1453447	31396·04	627·15	752·91	120·05	2·40
	TOTAL	24420626	43073670	523077·88	9045·64	61227·39	676·87	11·71

APPENDIX X
(Para 9.6.1)

PROGRESS OF IMPLEMENTATION OF LIVESTOCK INSURANCE PROGRAMMES IN INDIA

BACKGROUND

According to livestock census of 1977 the catle population in India was around 240 million which accounts for about 15 per cent of world cattle population. Buffaloe population in India is the highest in the world. Sheep and goat population is also quite large. Roughly the number of insurable cattle in the country is about 70 million which mainly consists of breedable animals. The national Commission on Agriculture (NCA) recommended livestock insurance as an important input for encouraging the farmers to invest in high quality animals for augmentation of milk production and improving the work potential of male stock for agricultural purposes. Since production of milk has been an important occupation of village farmers, livestock insurance programmes have been taken up in the country since 1974 by the 4 subsidiary companies of the General Insurance Corporation of India.

Cattle and other livestock assets belonging to the rural population represent a sizeable risk factor from the point of view of individual farmers At the subsistence level at which majority of our farmers operate, loss of assets could be a matter of survival or ruin. Secondly, casues widespread destruction and therefore, insurance protection becomes necessary at the national level. It has also enable the Insurance Industry to support the development of India like the Integrated Rural Development Programme (IRDP), etc

NATURE OF COVERAGE

Under the Cattle Insurance Programme, Insurance coverage is provided for payment of sum insured or the market value of the animal, at the time of death, whichever is less. Animals are normally insured upto 100 per cent of their market value as estimated by the Veterinarian

The GIC is implementing various cattle insurance programmes through the Four Flag Companies under their "Market Agreement Cattle Insurance". As per this agreement, cattle (which refers to milk cows, buffaloes, calves/heifers, stud-bulls, bullocks, etc.), of a specified age group are insured against death due to (i) Accidents (inclusive of natural causes like fire, lightning, flood, storm, earthquake, famine etc.), (2) Diseases contracted or occurring during the period of the policy, (3) Surgical operation, (4) Riot, Strike and civil commotion and (5) Risk of breeding and calving. This policy can also be extended to cover Permanent Total Disability (PTD) on payment of extra premium.

To facilitate the insurance of IRDP cattle and other Livestock including Poultry, a Master Policy has been devised wherein Agreement can be entered into between the insurer, state government and the bankers to cover all cattle, livestock assets under IRDP. As per this agreement Cattle, sheep, goat, pigs, horses; mules; donkeys, yaks and camels, all of a specified age group, are covered. Poultry is also covered.

The identification of the insured animal is done by metallic Ear-Tag, Tattooing or Branding, however, in practice, mostly ear tags are used.

Since the Market Value of cattle varies from breed to breed, from area to area and from time to time, the same is decided by an experienced Veterinary Officer, who also certifies the health of the animal. Thus the acceptance of insurance and valuation of animal insured will be on the basis of the recommendation of the Veterinarian. The sum insured will be the market value of the animal.

In the event of the death of insured animal a death certificate on Company's form is to be obtained from a qualified veterinarian and the claim form is to be filled and submitted to the Insurance Company alongwith the Ear-Tag. In certain cases the Insurance Company may demand a post-mortem examination also.

CHANGE IN THE TITLE OF CATTLE INSURANCE IN 1906.

Upto October 1986, these programmes were covered under the title "Cattle Insurance". However, as per the recommendations made at the All India Cattle Insurance Conference held in Jaipur, in October, 1986, it was felt that title "Cattle Insurance" is confusing. Since then, the title has been changed to "Livestock Insurance". The Conference also decided that the word "Livestock" shall refer to sheep goats, pigs, rabbits, and work animals like, camels, donkeys, horses. poines, mares mules, yaks, etc. and including poultry. Thus now the title, "Livestock insurance" has a wider ambit which includes the above said animals as also animals covered earlier (under Cattle Insurance Programmes) namely, cows, buffaloes, stud-bulls bullocks he-bulls calves/heifers, and mithuns (a type of animal reared in Northern Eastern States for Milk) and poultry.

Since 1969, Poultry Insurance has been separated from the ambit of "Livestock Insurance".

UNDERWRITING OF POLICIES

Initially, when the cattle (livestock) insurance programmes were taken up to 1974, the insurance coverage was extended primarily, in respect of bank financed and subsidised cattle purchased by the farmers under the IRDP and similar programmes. Thus, initially the lending bans throughout the country used to take master policies on an annual basis in respect of animals covered under such schemes. Later, with a view to providing concurrent insurance facility throughout the lending period, long term master policies for 3 to 5 years were also evolved. Accordingly, the Department of Rural Development had at that time recommended to all States/UTs advising the to enter into a master policy agreements with the concerned subsidiary company of the GIC and provide for a long term insurance arrangement.

As per information available with DAC the States of Andhra Pradesh, Madhya Pradesh, Tamil Nadu. Karnataka, Kerala, Haryana, Uttar Pradesh, Rajasthan, and Arunachal Pradesh have already opted for such long term master policies. In case of other States U.T.s. which have not yet entered into these agreements, insurance is normally affected by concerned banks/Districts Rural Development Agencies (DRDA) either under Master Policy taken by them or otherwise.

TYPE OF INSURANCE SCHEMES PRESENTLY COVERED

At present the following schemes are offered by the GIC for providing livestock insurance coverage in the country:

1. IRDP or other similar programmes — animals financed under IRDP or any poverty alleviation scheme of the Government of India at concessional rate where part of the premium is subsidised. These animals are termed as "Scheme Animals".

2. Cattle Insurance for all individual owners irrespective of whether the animals are financed by banks or not. These animals are termed as "Non-Scheme Animals".

PREMIUM

The insurance of animals financed under these poverty alleviation schemes is provided at a subsidised premium rate of 2.25 per cent per annum with an additional 0.85 per cent cover the risk of Permanent Total Disablement. The subsidy element is worked out as per the following details:—

	If banks provide finance	If banks does not provide finance
1. Subsidiary from project authority .	0·75%	1·00%
2. Subsidiary from project bank .	0·50%	..
3. Farmers/agricultural labourers .	1·00%	1·25%
	2·25%	2·25%

The corresponding premium rates for Non-Scheme animals is 4 per cent with an additional 1 per cent for covering Permanent Total Disablement. Discounts for better veterinary service, group insurance are available for non-scheme animals. Such animals may or may not be finanaced by banks. The premium is entirely borne by the farmer. Wherever Bank finance is involved, insurance is taken by the banks as collateral security.

LOW-COVERAGE OF NON-SCHEME CATTLE IN VII PLAN

States like Rajasthan, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Kerala, Tamil Nadu, Haryana, Karnataka have signed such Master Policies, some of the States have entered into master agreements with the concerned subsidiary company of the GIC in respect of livestock covered under IRD and other poverty alleviation programme. However, many of the States/U.T.s are yet to enter into such agreements.

Despite the fact that these programmes are under implementation since 1974 most of the farmers and other persons are still unaware of the benefits of the livestock insurance. The progress is not even 10 per cent of cattle population (cows and buffaloes). This is primarily due to lack of awareness and inability to pay premium among the people, in spite of low premium, and other causes. Besides progress made so far in this field is top-sided, confined to coverage of the IRDP scheme cattle only the for which premium is subsidsed and coverage is compulsory. Even in respect of such coverage, the concern farmers have not been taking the insurance cover for their animals once they pay off the loans.

From insuring 30,000 cattle in 1974, the General Insurance Industry insured 20.9 million cattle heads in 1988.

APPENDIX XI

(*Para* 11.4)

EXTRACT FROM REPORT OF WORKING GROUP ON SOCIAL SECURITY

2. In the Government of India, the subject of "social security and social insurance, save to the extent alloted to any other department" is the responsibility of the Ministry of Social Welfare. The Ministry of Labour is concerned with social security legislation for the organised sector as part of the "welfare of labour". "Unemployment insurance" is also a subject assigned to it. Policy relating to life and general insurance is the responsibilty of the Ministry of Finance. On various other aspects of social security, the Ministry of Health and a number of production Ministries dealing with industries, mines, plantations etc. are involved. Social security being a concurrent subject as between the Centre and the States, there is also need for continuous planning, coordination and monitoring at a federal level. There is no focal point from which this is done at present. In the States as well, social security administration is fragmented between different departments and agencies.

3. We feel that it is necessary to create a small but strong Group (i.e., Department or Division) at the Centre which will be concerned with horizontal (i.e., between different inter-related aspects) and vertical (i.e., between the Centre and the States) coordination of social security planning, monitoring and review. The Group Should not interfere with; but supplement and reinforce, the administrative Ministries which may continue to deal with aspects of social security as at present assigned to them. Specifically, the major talks to be assigned to the Group will include:

(a) building up information on social security measures in other countries, particularly developing countries and in the different States of India.

(b) disseminating information to all States of feasible schemes which have been introduced by one or some of them so that a spread effect can be stimulated.

(c) development of new schems or of reforms to existing ones.

(d) coordination of between Central Ministries and at the Centre State level.

(e) monitoring of Plan performance and of expenditure levels and physical coverage in various schemes at the Centre and State levels.

(f) promotion of research, seminars, publications etc. on social security.

(g) policy formulation and advice to the Centre and State Governments.

(h) bringing out an annual review of the progress of social security in India.

4. Such a Division for policy and planning of social security can be located in the Ministry of Social Welfare. Another view was that a separate Department of Social Secuirty may be formed and given the responsibility for all aspects of the subject. In the States it could be suggested that Chief Ministers or one of the senior Ministers would be in overall charge and underpinned by adequate secretarial support. The Division at the Centre could also service a Committee of Secretaries on the subject to be presided over by the Member-in-charge in the Planning Commission. It might be a useful innovation if this Committee of Secretaries, besides including concerned Secretaries in the Centre, could also have on it Secretaries from State Governments, one from each region serving on rotation. It would be valuable to have the subject of social security discussed annually at a Centre-State Conference of Minister, perhaps as an adjunct to the annual Conference of Labour Ministers. In these ways, an overall national approach to this issue could be forged and maintained.

5. We would also urge the Government to prepare a National Policy Statement on Social Security if, as we hope, the major thrusts recommended in this report find acceptance. Such a Statement will elevate the visibility of the subject and stimulate a nation-wide discussion, including in the Parliament and the Press".