Commenting on the emerging economic, political and social structure of the world, some one rightly said that we have only two options now-socialism or barbarism. The comment makes a great sense at least in terms of understanding the realities in Asian developing countries. Globalization brings such vulnerabilities for Asian people in their overall life that are comparable to colonial period; and in some aspects even worse. In almost all developing Asian countries, particularly the south Asian countries, the phase of globalization and liberalization coincided with a drastic change not only in economic life but also in social life. It led to drastic increase not only in economic vulnerabilities but also the social vulnerabilities.

On the one hand the globalization brings all sorts of uncertainties. Sustainability of development and jobs created by foreign investments are uncertain; job security at workplace is uncertain, incomes in traditional occupations are uncertain, income in agriculture has become highly uncertain, even the life is always in uncertainty due to increasing number of environmental disasters, drastic increase in occupational health and safety problems, increasing number of epidemics caused by new diseases and drastic increase in crime and accidents. The liberalization is consciously and unconsciously throwing everything in uncertainty to ensure certainty of profits to the capital; promoting casualisation in every sphere of life to ensure sustained profits to the capital. Now everything is becoming casual-jobs, incomes and even the social relations. On the other hand, it is also reducing the power of the people to fight against these vulnerabilities, by way of deregulations at national level and re-regulations at international level reducing the capacity of the people to bargain with their nation states, making capital freely mobile so that it can exploit the global reserve army of labour reducing the overall collective bargaining power of people/labour vis-a-vis capital, informalisation and scattering of the industrial workforce both reducing the income and collective power of the working class, states moving out from its welfare functions and abolishing subsidies to the people and reducing welfare expenses, amending labour laws to reduce the overall collective power of the workers and compel them to virtually work in slave labour like conditions etc. Moreover, in the capitalist global village, the Asian community life based on mutual cooperation is abolished and the safety covers offered by joint family and community is lost. The fate of every individual is now controlled by the market, and the market teaches every one to care for only him or herself and survive or perish on his/her own alone without getting any support from anyone. The social security can now be only purchased from the market, and one can enjoy it only to the level he/she can purchase it, and those unable to purchase it are poised to face the hell on this earth all over their life.
Lack of enough livelihood opportunities combined with consciously promoted individualism and consumerism has systematically intensified the barbaric competition among the people to get a living at the cost of the other. This is happening not only among the people with in a country; but also among the people of different developing countries. Given the unrestricted mobility of the capital, there is always a threat that investments may at any time fly away to other country and thereby may lead to mass unemployment. The situation is such that only those nation states can win the greater share of foreign investments, and greater export orders, which is barbaric enough to completely suppress all opposition from workers to ensure maximum exploitation of workers to generate super profits.

Does it not resemble to the age of barbarism? It is certainly different, since unlike the age of barbarism, this is unimaginably higher stage of development with problems of overproduction rather than scarcity and also unlike the earlier, it is well planned and systematically imposed by the corporate capital for profit motives. Therefore, we can call it the age of modern barbarism. The vulnerabilities of the people, in this age of modern barbarism are growing to the extent that not only large number of poor people are compelled to live in hell of chronic poverty and dying of hunger; but also they are compelled to opt for suicides. In one decade from 1997-2007, more than 182936 suicide deaths were reported mainly of small-marginal farmers in India.

With the disastrous impact of globalization and liberalization becoming more and more visible, the issue of Social Security is emerging as an important agenda for both—the capital and nation states on the one hand and the labour/people on the other. The motives are certainly different, but for both the compulsions for emphasis on social security are generated by the same ground realities. For labour and the people at large this is an issue of survival in terms of breaking their status as highly vulnerable reserve army of labour, and an issue of regaining their collective power. And for the capital and nation states this is an issue of watering down on the discounts of the people/labour to minimize the chances of anti-capital volcanic movements and to project a better image of corporate led globalization by putting a glossy cover on the barbaric reality, and also an issue of maintaining a reserve army of labour surviving below the minimum standards of living.

Therefore, it is crucial for the people’s social security movements to critically look at the social security initiatives of the state and transnational capitalist class (TCC) and put forward the alternative agenda of social security with transnational working class (TWC) perspective by clearly articulating the commonalities and differences with state and TCC initiatives.

**Inbuilt Vulnerabilities for the People/labour in Corporate Led Globalisation**

The meaning of civilized society is a society where at least survival (different levels of survival at different levels of socio-economic development) is fully ensured for all; and the workers and the people at large can effectively exercise their powers of collective bargaining to ensure redistributive justice for further improvements in their living standards and working conditions. If the survival is not ensured, then, on the one hand, the workers are actually thrown in the conditions of slavery and it drastically reduces their collective bargaining power; and on the other hand, it means that there is
no set base-level for collective bargaining, and in such situations, collective bargaining can not effectively ensure the redistributive justice and improvements in working and living standards (accompanying economic growth). The importance of labour laws on wages and job security, social security, Occupational health and safety and other working conditions for the larger enterprises of organized sector (as was the case in most Asian countries) was primarily in respect of ensuring survival and setting the base level for collective bargaining. The greater collective bargaining strength and improvements in the working and living conditions of organized sector workers (in comparison to unorganized sector workers) could be achieved primarily due to this factor. There were consistent struggles in most of the Asian countries for gradually transforming the unorganized sector in to organized sector. The trade union movement in India was successful in achieving two great victories in this direction: one, in 1976 the Industrial Disputes Act 1948 was amended to extend applicability of Chapter V-B, and thereby extending the job security to workers in enterprises with 100 or more workers, rather than the earlier threshold limit of 300 or more workers; two, enactment of Contract Labour (Regulation & Abolition) Act 1970, which ensured regularization and job security to contract and casual workers engaged in core activities and in jobs of perennial nature. Similar trends were also observed in other developing countries. The peasant movements (in 1960s and 70s) in most of the developing countries were also successful in varying degrees in compelling the governments to implement land reforms and develop and provide inputs and infrastructural facilities (particularly irrigation) at subsidized rates. Providing some essential commodities like grains, cloths, kerosene oil and sugar etc at subsidized rates through public distribution system was also with the objective to ensure the survival. It is not the case that everything was moving in right direction before globalization, but at least the issue of people’s survival was also somewhere included in the agenda of economic development, and the presence of a strong labour movements and peasant movements were putting a sustained pressure on the governments to ensure some pro-people orientation of development. Even if there was no big qualitative change in the conditions, it helped a lot in transforming the life of the people and setting the direction of struggles for further improvements.

But the current phase of globalization and liberalization completely reversed these trends. The people’s survival is no more and no where in the agenda the economic development. Globalization and liberalization came as an overall attack on the working class and people at large. Change in the balance of powers at global level and economic and industrial restructuring drastically reduced the collective bargaining power of the working classes in various ways; and on the other hand, all round attack on the rights of the people (privatization of public sector industries, education, health, transport etc, cutting or slashing subsidies, informalisation of labour and in overall terms transformation of the state in a corporate agent) compelled the labour and people’s movements to go on defensive. Moreover, the new development strategies increased the vulnerabilities of the people and working classes in overall terms. It will not be an exaggeration to say that the profit maximization in the new development strategies is based on exploiting the vulnerabilities of the people and as an outcome it further increases these vulnerabilities.

We can summarize the impacts of globalization and liberalization on people as follows:
Impact on rural workers:

1. Globalisation and liberalisation further increased the tyrannical inequalities that continued in the Indian society. Medium and large farmers who constitute only 3.5 per cent of rural population still own as large as 37.72 per cent of the total land; and the rest 96.5% of the population survives on only 62.28% of the land. According to National Sample Survey data (1999-2000), percentage of landless+near landless increased from 69.73% for SCs, 41.58% for STs and 47.21% for others in 1992 to 79.20% for Scheduled Castes (SCs), 52.90% for Scheduled Tribes (STs) and 59.20% for others in 1999-2000.¹

2. Drastically declining share of agriculture in GDP and its share in employment remaining almost stagnant very clearly expose the conditions of poverty and chronic hunger in rural areas. From 1983 to 2004-05, share of agriculture in GDP and employment changed from 37 and 68.5 percent to 21.1 and 56.5 percent respectively. The jobless growth (share of manufacturing in GDP and employment changed in the same period from 14.3 and 10.7 percent to 15.1 and 12.2 percent respectively; and share of services in the GDP and employment changed in the same period from 38.6 and 17.6 percent to 53 and 24.8 percent respectively)² explains very clearly why about 42 percent of Indian population lives below poverty line³ and why about 75% of the Indian poor are in rural areas. The development is creating no avenues for alternative employment and therefore the poor rural folks have no space to escape from hunger. The annual growth rate of employment declined from 2.03 percent in 1983-1993/94 to 1.85 percent between 1993-94 and 2004-05 as per UPSS (Usual Principal and Subsidiary Status) estimates with the corresponding decline being from 2.72 percent to 1.88 percent as per MCWS (Modified Current Weekly Status) measurement.⁴

3. Globalization and Liberalization is leading to accumulation by dispossession--not only in relation to land, but also in relation to dispossession from all resources and rights-by way of handing over the control of all natural resources and energy resources in corporate hands, privatizing all public sector industries and selling it to the corporate at throwaway prices, privatizing the education, health and transport-services etc.; and also in terms of stopping/minimizing expenditures on welfare schemes, stopping/minimizing subsidies to farmers and people at large; and on the other hand granting huge subsidies to the corporate.

4. Large scale destruction of livelihoods and mass displacements is aggravating problems of poverty, unemployment and also leading to a severe food crisis. According to Agriculture Ministry data, the net sown area has actually fallen, from 143 million hectares in 1990-91 to 140.9 million hectares in 2003-04; and net irrigated area decreased from 57.1 million hectares in 1999-2000 to 55.1 million hectares in 2003-04. Around 50 million people lost their land since 1950 on account of development projects and almost 75 percent of them are still waiting for

¹ National Sample Survey (NSSO India) data various rounds
³ Patnaik, Utsa 2006:Poverty and Neo-Liberalism in India; Based on Rao Bahadur Kale Memorial Lecture delivered at Gokhale Insitute of Politics and Economics, Pune, February 03, 2006. December 2006. (The government survey of poverty line was challenged by many researchers including the Utsa Patnaik. Utsa Patnaik adjusted the figures for 2400 calorie norm in 1973-74 and on the basis of it calculated the poverty at 39 percent in 1999-2000 and 41.5 percent in 2004-05(based on fixed consumption basket).
⁴ NCEUS (2009): Challenges for Employment in India, An Informal Economy Perspective (Vol II); National Commission for Enterprises in Unorganised Sector; Government of India;
http://nceuis.nic.in/The_Challenge_of_Employment_in_India_%28Vol.%20II%29.pdf
proper rehabilitation. Already approved Special Economic Zones are going to displace more than 114,000 farming households (each household on an average comprising five members); and an additional 82,000 farm worker families (Average five members) who are dependent upon these farms for their livelihoods. It means roughly 10 lakh (one million) persons are going to loose their livelihood and face eviction. The land going to SEZs may look meagre as percentage of total agricultural area, but it will amount to a loss of about 298 thousand tons of grain output per year. Massive distress migration is bound to take place due to these factors.

5. As an initial step of Structural adjustment programs, the Indian Rupee was devalued in 1991 by 25% (an explicit condition of the IMF loan), which had an overall disastrous impact on Indian agriculture. Actually this can be considered as the first step that forcefully changed the direction of Indian agriculture towards export orientation in a big way. With devaluation of Rupee the Indian crops becoming cheaper in the global market, the farmers were systematically convinced to shift from mixed agricultural practices based on traditional crops to export oriented cash crops. The logic was further forced with introduction of contract farming for producing raw materials for various multinational companies.

6. This new structure of agriculture increased farmers’ overall dependence on market and on multinational companies. Following the dictates of IMF, liberalisation policies reduced the fertilizer and pesticide subsidy by two thirds by 2000; electricity subsidy was also drastically reduced; and on the other hand the cash crops needed more fertilizers, more pesticides and more water. Cost of inputs per acre reached at alarmingly high levels. The biggest impact of globalization and liberalization on agriculture is imposing almost complete dependence of farmers on multinational corporations for most crucial input-Seed. Before liberalisation, farmers were largely using the seeds produced in their own fields or supplied by the government at subsidized rates-through a well developed network of Seed development corporations. With liberalization, on the dictates of IMF most of the Seed development corporations were closed or paralysed, seed market was opened up and the farmers’ fate was transferred in the hands of giant global corporations like Monsanto, Cargill etc. Resultant effect was generally increasing the cost of seed inputs per acre from Rs. 70 in 1991 to about Rs. 1000 in 2005 (a hike of 1428%) and in case of genetically modified pest resistant seeds like Monsanto’s BT Cotton to about Rs. 3200 or more per acre. Indigenous foods and medicinal systems are being pirated and patented, and the knowledge of the poor is converted into property of TNCs, so the poor are now forced to pay for these seeds and medicines.

7. It is interesting to note that only 39% of India’s cultivable land is irrigated and the expansion of irrigation infrastructure and facilities to increase the proportion of irrigated land was one of the important concerns of development in pre-liberalisation era. But after liberalisation this focus was lost from the development strategies. Excessive use of water by more water demanding crops and excessive use and pollution of water resources by industries resulted in depletion of both ground and surface water resources leading to multidimensional water crisis. If we look at the huge amount of water that is allocated to special economic zones at the cost of agriculture, it

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6 Sainath, 2005, ‘As you sow, so shall you weep’,
http://www.hindu.com/2005/06/30/stories/2005063004691100.htm

P. Sainath, ‘Spice of life carries whiff of death’,
provides a horrible picture for the future. Water table in almost all agriculturally important states is already gone tens of feet down, drastically increasing the cost of irrigation and creating a water crisis. Every year farmers in North India are on the roads for demand of irrigation water.

8. Restrictions on imports were removed from 1,500 items including food by 2001, resulting in flooding of the imports pushing prices of crops downwards. Excess supply of cotton in the market led cotton prices to crash more than 60% since 1995. Pepper prices recorded a decline of almost 81% from 1998 to 2004. Similar were the trend for other crops.

9. Major Indian banks were nationalized in 1969 and agrarian credit was given priority. But with liberalisation, government policy was reversed and credit extended to farmers was drastically reduced (10.3% in 2001 against a recommended target of 18%). It was in a situation when the cash crops increased the dependency of farmers on loans, therefore the farmers were actually compelled to fall in the trap of private moneylenders who many times charged as high interest rates as 24% a month.

10. Large majority of Indian farmers were in a position of minimum security and therefore government subsidy, state regulations and greater expenditure in development infrastructure were crucial in increasing the agricultural production and also reducing the overall rural poverty. Even if there was no big qualitative change, its impact was visible, and rural poverty declined from 55% in the 1970s to 34% in the 1980s. But globalization and liberalization reversed this trend and the incidences of poverty again increased from about 34% in 1980s to about 42% in 2000s. This is closely linked with the above factors and reduced rural spending of the government (from about 14.5% of GDP during 1985 – 1990 to about 8% by 1998, and about 6% thereafter).

11. The resultant effect of all these factors came out as decline in agricultural production by 12.6% in 2003. In overall terms, agricultural growth slowed down from 4.69% in 1991 to 2.6% in 1997-1998 and to 1.1% in 2002-2003.

12. All the above factors (soaring input costs, decreasing rate of production, dangerously fluctuating prices, lack of proper credit facilities etc) pushed large number of farmers in to a painful debt trap, which was the main factor behind recent heart breaking phenomenon of farmers’ suicides. NSSO (National Sample Survey Organization) survey in 2005 exposed that 66% of all farm households owned less than one hectare of land and 48.6% of all farmer households were in debt. According to P. Sainath’s estimates 182,936 farmers committed suicide in India between 1997 and 2007 and close to two-thirds of these suicides have occurred only in five states (Maharashtra, Karnataka, Andhra Pradesh, Madhya Pradesh and Chattisgarh).

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Impact on Labour

1. Downsizing, closures and privatization of public sector units is throwing out large number of workers out of jobs. Thousands of dalits not only lost their jobs, but also a big space that was ensured for them in public sector, because reservation policy was not extended in private sector. In absolute terms, the public sector shed 1.46 million workforce between 1993 and 2006.  

2. There is an unparallel informalisation of Jobs in the industries, both by transferring the jobs from formal to informal sector and by informalisation of workforce and casualisation of jobs in the formal sector. The net growth of employment from 1999-00 to 2004-05 has been largely of an informal kind. This duality in the labour force is increasingly institutionalized and there are almost no chances for upward mobility for the informal workers.

3. Pauperisation of peasantry and mass destruction of livelihoods (by land acquisitions for urbanisation and industrialisation, destruction of traditional occupations by way of replacing their products and services by industrial products and modern services etc) created a huge reserve army of labour migrating and flooding the industrial centres and creating downward pressure on wages.

4. In a situation with unrestricted mobility of capital, export oriented development based on foreign investments is increasing vulnerabilities of workers to alarming levels. It was reflected in the current global financial crisis when about one million workers lost their jobs. Moreover, the sword of mass unemployment remains always hanging out of fear that capital may fly away to another destinations. It drastically reduces the collective bargaining power of workers.

5. With the liberalisation there is consistent attempt to amend the labour laws in favour of the employers. Moreover, the laws are virtually made irrelevant by allowing violations and paralysing the inspection machinery, and the workers are not getting any relief from the courts. The courts have already made precedents in favour of employers, saying that casual/contract workers have no right to claim regularisation. There are also judicial precedents saying strike is not a right and putting a ban on the general strikes. The whole politico-economic environment is anti-labour, and any attempt by workers for asserting their rights is crushed brutally by use of police force and goons. Cumulative impact of all this is reflected in aggravating the problems of occupational health and safety. According to ILO reports, in India more than 1,000 workers every day or 46 every hour die due to occupational health and safety problems.

6. The growth rate of wages of almost all categories of workers including casual work which concerns the bottom layer of workers has declined from the decade of 1983-84 to 1993-94 to the decade of 1993-94 to 2004-05. On the other hand during the same period the overall economy registered exceptionally higher growth rate. Sharply increasing share of profit and drastically declining the wage share since 2001-02 reflects declining collective bargaining power of labour. Approximately 73 million out of 173 million wage earners throughout India do not receive minimum wages. It is also accompanied with soaring prices of essential commodities amounting to double attack on workers.

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13 NCEUS 2009

14 NCEUS 2009

15 Minimum wage is fixed by the government and it is different in different regions and sectors of the economy. Presently the national minimum wage is around Rs 100 (USD 2) per day.
7. The helplessness created by these situations is compelling a large number of workers to end their life. There are several cases of suicides by workers and their families facing longer periods of unemployment, retrenchments and closure of factories. In last few years large numbers of suicide cases by garment workers in Tirpur (Tamilnadu) were reported. Only in two years 2009-10, about 1000 garment workers and their families took their life. 495 garment workers and family members killed themselves in 2009, and in the first six months of 2010 there were 350 suicides; and just in the three months of June- August 2010, 250 workers took their own lives. The causal factor of these suicide cases was cutting 25000 jobs and wage cuts by employers\textsuperscript{16}

The Impact on the Poor in general

1. Gift of globalization and liberalization to poor is high inflation and drastic increase in food and fuel prices, and thereby all essentials for life. Privatization has led to a sharp rise in cost of education, health, housing, power, water, transport, communication etc. They eat a major portion of poor people’s income and throw them in poverty

2. In every budget of the liberalization period the subsidies are gradually reduced. In the budget of 2011-12, there was a massive Rs. 20000 crore cut in major subsidies on fuel, fertilizer and food. In 2012-13 budget there was further cut in subsidies. Coverage of benefits of subsidized provisions especially for food and fuel is also reduced by making it only for BPL (below poverty line). It is well exposed that BPL lists in India exclude large sections of the country’s poor.

3. The change in economic policy in terms of providing relief in direct taxes and extracting more by way of indirect taxes amounts to extracting more from people and benefitting the capital. 2011-12 budget provided relief of Rs. 11500 crore in direct taxes, while targeted to mobilize an additional Rs. 11300 crore through indirect taxes. As per the Statement of Revenue Foregone, total tax concessions reached over Rs. 5 lakh crore\textsuperscript{17} in 2010-11, with corporate tax exemptions totaling over Rs. 88000 crore. This is resulting in severe budget constraints for expenditure on public welfare and overall social development.\textsuperscript{18}

4. Collectivity and cooperativeness inbuilt in traditional Indian social structure provided some sort of social protection. Combined family system supported nonearning family members also, and community provided some sort of support to its members at the time of contingencies etc. It was never enough and many times disrespectful, but even then it was a crucial support. Moreover, at the time of harvests, extremely poor people went home to home and collected significant amount of grains from peasants by begging. Even if it was disrespectful, it was a crucial support for poor men’s survival. The capitalist expansion forcefully broke this culture by implanting a market culture-a culture of give and take-a culture of brutal self interest and individualism. The Old disrespectful system of social protection was broken but no respectful system was put in place.

The Impact on Environment


\textsuperscript{17} One million=10 lakh

1. Globalisation has converted less developed countries into pollution havens for dirty industries, and the share of dirty industries in total FDI in India was 51 percent in 1991-2000. MNCs in India are freely violating the environmental standards. For example, in 2003, Center for Science and Environment, New Delhi exposed that Coca-Cola and Pepsi Company production in India contained extremely high levels of pesticides, DDT, Malathion, Lindane etc.

2. Excessive use of ground water and pollution of water bodies by the MNCs are putting heavy pressure on already depleting water resources and severe water crisis is emerging in different regions of the country. For example, the Coca-Cola plant located in Mehdiganj, 20 kilometer from Varanasi city (Uttar Prades) drew thousands of liters of under ground water by its two tube wells every day. Its impact was felt on water levels that went down from 15 to 40 feet. Moreover, the company discharged its waste into surrounding fields and thereby polluted the ground water. Land was also poisoned. A movement emerged in that region on this issue. It was also reported in news papers that the Coca-Cola as its CSR initiative distributed its solid waste of bottling pants to farmers in Kerala to use it as manures. BBC exposed that this waste contained extremely high levels of heavy metals such as lead and cadmium.

3. Now in the name of accelerating industrial growth huge amount of land including agricultural land, water bodies, forests, wet lands, coral reefs and environmentally sensitive areas are transferred to special economic zones and other industries. In many regions, industries have been allotted the land adjacent to the marine National parks and wild life reserves.

The above impacts very clearly explain that globalization and liberalization is actually creating a crisis for survival. The crisis is not created by any sudden and temporary failures of the economy, but it is systematically imposed by new international economic regime on long term basis. It is these concerns which make the social security a prime agenda of today. It is in this respect that the struggle for social security becomes a struggle for survival of the people.

**General Critique of Current Social Security Initiatives**

Here very briefly we will critically examine various aspects the social security initiatives particularly the ILO’s Current Social Security initiative and UN social protection floor, and side by side also discuss the case of India (state initiatives) to situate our discussion and critique in ground realities.

Let us first start from the point, how actually these initiatives articulate the need for social security. ILO (and also the UN) articulates it as follows:

“The rapidly growing interconnectedness of global financial, product and labour markets poses new challenges for the maintenance or enhancement of social justice. In a world in which financial and economic crises in any region are highly contagious and their effects on labour markets and social welfare spread rapidly, the capacity of individuals to cope alone with economic risks is less effective than before. The global social risks associated with pandemics and the expected effects of climate change have a similar impact on the levels of individual social security. National social security systems need to be stronger than ever to neutralize additional systemic global risks. The risks and opportunities inherent in globalization require effective social security.” And that “While the importance of social security for the well-being of workers, families and communities has always been an integral part of the ILO’s mandate, the essential role of social security in addressing people’s
needs worldwide has been increasingly recognized by other international organizations. This renewed understanding of the interconnectedness of economic and social development, and the need for balanced economic growth, has also gained momentum in response to the financial and economic crisis.”

It is clear that these initiatives largely articulate the need for the social security because of rapidly growing interconnectedness of global financial, product and labour markets that make the financial and economic crises in any region highly contagious. It is to be noted that this is only one disastrous aspect of globalization. These initiatives do not refer to the impacts of globalization and liberalization on farmers, labour, environment and people at large, that we discussed earlier. They do not refer to those impacts of globalization that expose its character as corporate led globalization—pushing privatization and centralization of all wealth and resources in corporate hands, transforming the states in corporate agent, reducing the legal power and economic capacity of the states for public welfare, drastically increasing the cost of living including education, health, housing, transport, essential commodities etc., and at the same time drastically decreasing the share of wages by way of flooding the reserve army of unemployed labour.

Therefore these social security initiatives are focusing only on part of the problem and are completely silent on most crucial insecurities that are creating a crisis of survival for the people. And most importantly they are talking about the contingencies (that also only part of the contingencies) and are completely silent on the factors creating these contingencies. It actually means that they have accepted and are forcing us to accept that there is no alternative; and that these factors can not be removed, they will keep on creating these contingencies; and what we can best do is to provide some help to those who are worst affected by these contingencies, so that they do not die, remain in the labour force and keep on reproducing the labour force to insure unrestricted supply of vulnerable and cheap labour.

Now let us examine the important aspects of the UN social protection floor and current ILO social security initiative. The social protection floor has two components:

“(a) Essential services: i.e. geographical and financial access to essential services (such as water and sanitation, adequate nutrition, health and education, housing, and other services including life and asset saving information); and

(b) Essential social transfers: i.e. social transfers, in cash and in kind, paid to the poor and vulnerable to provide a minimum income and health security.”

It proposes to ensure four guarantees:

1. All residents have access to a nationally defined set of affordable essential health care services;


2. All children enjoy income security through transfers in cash or kind, at least at the level of the nationally defined poverty line, ensuring access to nutrition, education, and care;
3. All those in active age groups who cannot (due to unemployment, underemployment, or sickness) or should not (in case of maternity) earn sufficient income in the labor market should enjoy minimum income security through social transfers in cash or in kind schemes or employment guarantee schemes;
4. All residents in old age and with disabilities have income security at least at the level of the nationally defined poverty line through pensions for old age and disability or transfers in kind.

ILO social security initiative has following components:
1. Enabling access to health services: Social health protection
2. Guaranteeing income security in old age, disability and survivorship
3. Income security for the unemployed
4. Income security in the event of employment injury
5. Family benefits, minimum income support and social assistance
6. Maternity protection

The two initiatives are said to be complementary and it is claimed that both together will be able to achieve the millennium development goals, i.e., eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, develop a global partnership for development. However with all these big claims what they are actually offering is virtually nothing. The UN social floor initiative clearly says that the level of benefits and scope of population covered for each guarantees proposed will depend on the national conditions. Thus the social protection floor does not propose universal coverage of these guarantees. It leaves the level of coverage and level of benefits to be decided by the nation states. Means, if the states have covered some portion of population (and that is actually the case in many countries) then they will enter in the good books of these initiatives. The initiative says clearly only one thing-the total cash/kind transfers must ensure basic basket of food (and other essential services that it never defines). So the actual concern of Social Protection Floor is only to ensure basic basket of food so that they do not die; and that also not for all, because universal coverage is not necessary.

Is it not shameful to talk like this about human beings? The Social Protection Floor never tries to enter in the issue of how to remove those factors from the national and international economy that create such inhuman conditions when people are poised to die of hunger. It says that only if people can move from the informal to the formal economy and thus migrate from low productivity subsistence level activities to become tax and contribution payers can an economy grow. But it only says this and does not dare to propose any measures, any policies or legislations to convert the informal economy to formal economy. Is it not a shameful duality that the UN agencies and other international institutions on other platforms always advocate for liberalization, flexibilization of labour, and amending labour laws to make hire and fire smooth and easiest? Is not the rampant informalization of labour force forcefully imposed (even by violating the labour legislations) to achieve these objectives?

ILO initiative is comparatively wider and concrete but the difference is only in quantity and not in quality. Like the UN social protection floor the ILO initiative is also silent about various crucial insecurities created by globalization and liberalization. Regarding the factors that are creating
contingencies, as we have already discussed, all the initiatives appear to be saying—there is no alternative. Apart from these, the ILO initiative (and also the UN social protection floor) has following problems:

1. For all practical purposes, the unemployment is defined only in terms of short term contingency and not a systemic problem. However, in the phase of globalization the unemployment is a systemic problem and it is created to maintain a huge reserve army of labour creating downward pressure on wages and putting the labour always in a vulnerable state. Moreover, informalisation of labour force makes the unemployment contingency a regular contingency and not occasional one. Therefore it is also a systemic problem and treating it as a short term contingency actually means hiding the real problem and denying the unemployment benefits to the workers for actual days of unemployment and on long term basis.

2. It comes out as a very shrewd move to transfer the entire burden ultimately on the people only. It apparently sounds very nice when these initiatives advocate that the social security is the responsibility of the state, but in reality what they are saying by not saying is—there is no responsibility of the employers and the corporate in general. It is very much clear if we read this with the IMF and World Bank directives to the states for putting more emphasis on indirect taxes rather than direct taxes. So it will be ultimately the people who will pay for their social security. Not only this, it seems to be paving the way for the corporate to loot the people further. It is to be noted that the dictates of WTO, World Bank and IMF do not allow for subsidizing the public services, and therefore even if the money for social security is coming from the people by direct contributions and indirect taxation, it may not be spent for the benefit of the people. The social security is increasingly privatized by way of introducing private insurance schemes for example privatized health insurance schemes, and therefore actually the money of social security will ultimately go in the hands of the corporate. National health policy of the India 2002 is a clear move towards privatization of health care. It may also amount to dismantling or privatization of Employees state Insurance Corporation that currently provides health insurance and other benefits to the formal workers. The contributory schemes that are becoming the part of current social security systems are actually putting double burden on the people—paying tax for state contributions and also paying their own contributions.

3. Employment injury and unemployment contingency created by closures, lockouts and retrenchments are clearly the responsibility of employers, but the new social security initiatives are putting them also as the responsibility of the state. Employment Injury insurance in India is under Workers’ Compensation Act and is the employers’ liability, but now there are efforts (recommendations of II National Labour Commission) to amend the labour laws to put it under social security schemes and make it the liability of the government. Paying compensation for layoff and retrenchment in India is the liability of the employers under the Industrial Disputes Act, but now there are efforts to make it part of Employees’ Provident Fund Scheme or any other Social Insurance scheme (recommendations of II National Labour Commission).

4. Now formal sector workers are also increasingly being informalised and they are also moving out of the coverage of social security benefits. It is also to be noted that approximately 73 million out of 173 million wage earners throughout India do not receive minimum wages22. In such situations it becomes urgent to implement some path breaking measures to address the task of extending universal coverage of social security to all workers. But ILO or UN initiatives are not coming out with any such proposals.

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22 Minimum wage is fixed by the government and it is different in different regions and sectors of the economy. Presently it is around Rs 100 (USD 2) per day.
5. These international initiatives and also the state initiatives focus more on fixed amount of cash transfers. These cash transfers have no linkage with the inflation and therefore the value of transfers is actually reduced with the inflation.

In such situations, the question arise that why then suddenly the social security became the prime agenda of the international agencies like ILO and UN, Transnational capitalist class and the nation states? What they actually want to achieve by this?

Actually they have very clearly expressed their concerns and their motives:

“Investments in basic social protection are necessary conditions for workers to be sufficiently healthy, well nourished and educated to be employable in the formal economy.”

“National Social Protection Floors are a social and political necessity, a minimum of income security is the material basis for the functioning of families and households which, in turn, provide the basis for social cohesion that is pivotal for the functioning of societies and states. Without a minimum of social protection and material security, the commitment of a major part of society to a democratic state will be at risk and with it the security of all. This was also acknowledged by, among others, the World Bank which, in its 2005 World Development Report, made the case that poverty is a risk to security and lack of security can sully the investment climate.”

So these are the only real concerns of these initiatives. Actually these are the concerns of the transnational Capitalist Class. The first concern is to ensure unrestricted supply of employable and cheap labour. The second concern is more important. The globalization and liberalization are worsening the conditions to the extent that it is crossing all the limits, and it is very much clear to all sensitive people that this may very soon force the emergence of anti-globalization volcanic movements and revolts. This is the real danger for the transnational capitalist class and it is the real concern behind the social security initiatives. But as in the case of Corporate social responsibility, the emphasis is more on ‘appear to be doing’ rather than ‘actually doing’; because effectively ‘appear to be doing’ saves the costs and also effectively manipulates the consent of the workers and the people in favour of the states and the capital in general.

This strategy of effectively appear do be doing rather than actually doing can also be observed in ILO and UN praising the efforts of some developing countries like India towards achieving universal coverage of social security. For example, ILO and UN both praise the achievements in case of old age pensions in India, and we know very well the reality of old age pension in India. Firstly, the old age pension is only for the below poverty line old age people and not for all. It is also very well established that the poverty line in India leaves large number of poor actually living below poverty line, mainly due to erroneous formula for deciding the eligibility. And what is actually


offered under old age pension? Recently the amount is increased from Rs 200 to Rs 500 per month. Nowadays in any part of India in worst dhabas (street hotels) also one can not get a meal in less than Rs 25; at home also it may not cost less than Rs 20. So if they take three meals a day, this pension can guarantee them for a maximum of 9 days meal and nothing else. Not only this, they do not receive payments regularly (due to lack of funds) and one can see hundreds of old age people demonstrating every year before local and district authorities in almost every state of India for coverage under the scheme and for payment of pensions. Is it not shameful that ILO and UN praise such pension scheme?

It is worth mentioning here that the government of India has enacted a New Pension Scheme or National Pension System in 2004. It was made applicable to the central government and railway employees from 2004 itself. Pension Fund Regulatory and Development Authority Bill (PFRDA) was introduced by the government in Parliament on March 24, 2011 for legalizing this scheme and extending its applicability to other sectors. The new pension scheme is based on defined contribution system and it replaced the old scheme based on defined benefits. In the New pension scheme every month 10% of Pay and DA is deducted from the salary of the employees and the government contributes equal amount. No interest is paid on this amount and it is transferred to the trustee bank that will invest the money in share market and bonds of firms. There is no guaranteed minimum income, the fund may increase or fall, and there are declared risks including the loss of principal. After retirement the employee will get 60% of money for his use and he has to invest balance 40% in an insurance company that will invest the money in share market and give pension according to the returns. Moreover, the annuity schemes of insurance companies do not guarantee any family pension, after the employee’s death the pension will end, means the invested money will be lost. In the earlier pension schemes there was a provision of guaranteed pension amounts, family pension, gratuity, and disability pension. But in the new scheme all these benefits are lost and there is no guarantee of the principal amount invested by the employee. The informal workers are also covered under this system but they have to contribute a minimum of Rs 1000 per year. Their money will also be invested in the share market and they will get the benefits and pension in the same way as discussed above. To promote the registration and increase the coverage of the scheme, the government has declared that in will contribute Rs. 1000 per year for five years till 2015-16 for those joined the scheme in 2011-12. But there is no significant enrolment in the scheme as yet. Trade unions are opposing this pension scheme and raising demands for not privatizing and not investing the pension funds in share market, and restoring the benefits like guaranteed minimum income, Dearness allowance, gratuity, family pension etc.

Another example is the Unorganized Workers Social Security Act. In India everyone working on the labour issues knows very well that practically it is nothing but a paper act. The Act actually incorporates 10 already existing social security schemes applicable in various unorganized sectors (I.

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26 Based on the paper ‘Realising Social Protection for all in Asia-Challenges and Opportunities’ written by Surendra Pratap (author of this paper), Sally Choi and Wulan Dari 2012, under a project undertaken by Asia Monitor Resource Center in collaboration with Global Network.
Indira Gandhi National Old Age Pension Scheme. 2. National Family Benefit Scheme. 3. Janani Suraksha Yojana. (protection during maternity period) 4. Handloom Weavers’ Comprehensive Welfare Scheme. 5. Handicraft Artisans’ Comprehensive Welfare Scheme. 6. Pension to Master craft persons. 7. National Scheme for Welfare of Fishermen and Training and Extension. 8. Janshree Bima Yojana. (Insurance scheme) 9. Aam Admi Bima Yojana. (Insurance scheme) 10. Rashtriya Swasthya Bima Yojana. (Health Insurance scheme). The act also says that the Central Government may, by notification, amend the following Acts to extend their applicability for unorganized sector workers: The Workmen’s Compensation Act, 1923 (8 of 1923), Industrial Disputes Act, 1947 (14 of 1947), Employees’ State Insurance Act, 1948 (34 of 1948), Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952), Maternity Benefit Act, 1961 (53 of 1961) and Payment of Gratuity Act, 1972 (39 of 1972). It is also said that the State Governments may formulate and notify, from time to time, suitable welfare schemes for unorganised workers, including schemes relating to: (a) provident fund; (b) employment injury benefit; (c) housing; (d) educational schemes for children; (e) skill upgradation of workers; (f) funeral assistance; and (g) old age homes.

Apparently it looks promising, but actually it is the one of the best examples of the strategy of appear to be doing rather than actually doing. The following aspects of the act are worth noting in this regard:

1. The Act is essentially for workers below the poverty line and not all workers in unorganized sector. The definition of the term "self employed worker" and "wage worker" provide for limits to be prescribed by the government for monthly earnings or of the extent of land holdings or of monthly wage. This is actually an attempt to create a divide among the unorganized sector workers as being above or below poverty line
2. No time limit is prescribed when the government is going to extend the application of various schemes and welfare legislations to unorganized sector workers. The promise for extension of labour laws like industrial disputes act to informal sector is actually only to fool the working class, because actually there are attempts to exclude more and more formal workers also out of the coverage of protective sections of Industrial disputes act. Moreover, the labour laws require proof of employment and majority of informal workers do not posses any proof of employment
3. It is not made clear, what is the eligibility criteria, what will be the scale of benefits and under what conditions
4. Trade Unions are consciously kept out of the boards constituted to look after the implementation of the act
5. Most importantly, the act is completely silent on what will be the funding arrangements to meet the cost of social security

The most important aspect of this act is that it finally turns the wheals formally towards institutionalizing the informalisation by institutionalizing the duality in the labour force. Therefore the initiative of establishing a separate system of social security for unorganized workers is actually meant to provide a justification for informalisation of labour. Is it not shameful that ILO and UN are praising such legislations and schemes?
We have already discussed that in the name of achieving universal health coverage, the National Health Policy of India 2002 is actually an attempt to privatize health care, and there are clear indications that if it goes unchallenged it will also lead to dismantling or privatization of Employees state Insurance Corporation that currently provides health insurance and other benefits to the formal workers.

In the same way, if one enters in the reality he will find that well publicized and well praised progress in universalization of primary education in India is a complete fraud. It is also more strategized to effectively appear to be doing rather than actually doing. It is very much clear particularly in its focus on informal education.

The most important and praiseworthy scheme implemented in India is National Rural Employment Guaranty Act. However, the realities on the ground expose that here also focus is more on appear to be doing rather than actually doing. In various studies it is well exposed that nowhere in India are the workers getting 100 days of employment, and the cases of payment of unemployment benefits are rarest of the rare.

**Social Security is a Right and not Charity**

The issue of social security brings back again our attention on the very basic concepts of socio-economic development. What is the development? How to understand the development of a country? The nation is not a map; it is the people who make the nation. The development means the overall development of the people, development in their living standards and cultural standards, development in their knowledge, development of most democratic forms of institutions and the development in the collective concerns of the people for sustainability of the globe and human race. Development can not be measured by the growth of the concrete buildings, emergence of huge shining cities and growth of transnational corporations. With the growth of economic wealth if there is no comparable development in living standards, educational and cultural standards of the people and democratic institutions in the society, then this can not be said as positive development, it is rather a negative and distorted development.

Therefore, raising the issue of social security is actually questioning the development strategy itself. Now all the developing countries are engaged in a cut throat competition for achieving faster economic growth relying on export oriented model based on foreign investments. But why we need a fast economic development? Is it benefitting the people, is it resolving the problems of the people at the same pace? Who needs the fast economic growth and why?

From the perspective of labour and the people at large, we may not advocate or put greater emphasis on fast economic growth. It is but natural that when the wellbeing of the people and overall development of society is a prime concern then the allocation of more and more resources will be directed towards this goal and not for accumulation of wealth and profits. In such situations, for some time (and it depends on specific conditions) the economic growth may be slower. For example, ILO and UN also accept that former communist countries, even the smaller ones, have
more social security coverage than other countries with comparable GDP. Overall socio-cultural and educational development of the people in these countries was also at higher level than other countries with comparable GDP. But from the perspective of capital, fast economic growth is of prime concern, for accelerating the rate of capital accumulation. To achieve the fastest rate of economic growth, it is advocated that the must also not interfere in the economic spheres and the wellbeing of the people must be left to the supply and demand magic of the market god, and the CSR of its corporate priests. Therefore the issue of distributive justice and people’s wellbeing looses its space when we accept the logic of fast economic growth. The people are thrown in the conditions of chronic poverty and hunger in the name of their own welfare that is to be brought by the faster economic growth; and then they themselves are blamed for their conditions and offered some welfare as if showing mercy on them. By propagating and establishing this logic in the society, the capital psychologically weakens the people and makes it appear as if social security is not a right of the people but a charity provided by state and the capital. Therefore it is necessary to understand that social security is a right and oppose all such efforts that make it appear as charity.

Rather than arguing that actually the wealth of the society is created by no other than the workers and peasants, let us base ourselves on some more acceptable, more visible and more concrete arguments. If we look historically, it was the rise in productivity (by hundreds times) of the workers in 19th century that made it possible to realize the eight hours working day. Obviously it was not granted automatically, large number of workers laid their lives in eight hours working day struggle all over the world and then only the capital was compelled to accept it. But behind the emergence of this struggle and acceptance by the capital, the great and overall increase in labour productivity was one of the important factors. Now if we look at the developments from the 20th century to 21st century, the labour productivity has gone up by more than 1000 times. In 1920 steel production needed more than 3 worker-hours per tonne and in 2000 it needed only 0.003 worker hours per tonne.27 Productivity raised by computers only is about 500 percent. This extremely high jump in productivity naturally builds a strong argument in favour of reducing the working hours further and providing more space to workers for recreation and their overall social, economic, cultural, educational and political development.

But actually what is happening? Particularly in developing countries of Asia, that are emerging one of the most important manufacturing hubs of the global factory, the working hours are in general increased. In most of the industries the workers are compelled to work about 10 hours a day with compulsory overtime of two hours. In some cases, for example in export garment manufacturing industries, workers are compelled to work 12 hours or even two shifts continuously in peak order seasons. No residential facilities are provided to the workers in nearby areas and in most cases up and down add two more hours. From the view point of workers, these two hours also can not be excluded from the working hours and these are actually unpaid working hours. Therefore in general the working hours have gone up to about 11 to 12 hours and out of which about two hours are in general unpaid.

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On the other hand, if we see the recent trends, with the increase in productivity, the wages rather than increasing are actually declining. This can be seen in shrinking the workforce in formal sector, and side by side replacement of formal workers with informal workers who are getting as low as half and some times one third of the salary that the formal workers received for the same work. The labour costs has come down to half in manufacturing in south Asia, and it is achieved mainly by way of informalisation of formal sector workforce. This is made possible by the introduction of highly automated machines requiring almost no skills in workers. Any one can acquire the skills to work on these machines in one or two days-sometimes only in few hours. This is very clear that the informalisation of the workforce amounts to the heavy loot of the wages. But this is not the end. The most barbaric loot of wages starts from here, by exploiting the vulnerability of informal workers and not paying them legal wages (minimum wages) and other legal benefits. Only to avoid the payment of compensation and medical expenses the employers, after accidents, send the workers to the hospitals and then deny that any such workers were employed in their factory. It is to be understood here that not providing employment injury compensation and medical aid to workers facing accident is the loot of wages and precisely for this the employers are going to the extent of not recognizing the injured workers after major accidents in the factory. All the liabilities provided in labour laws towards the workers were the wage costs for the employers and it were part of the wages for the workers. Wages include all the costs necessary for production and reproduction of labour. It not only includes food and cloth, but it also includes the cost of housing, health, education, recreation, child bearing, safety etc. Maternity benefits are also the part of wages. The unemployment benefits are too the part of wages. The unemployment compensation is a necessary cost for production and reproduction of labour. With the development of economy and with the rising social standards number of items in the necessary costs for production and reproduction of labour also increases. And this cost does not come from nothing; it comes from the surplus value produced by labour and rising productivity of labour.

On the other hand, it is the globalization and liberalization that is leading to mass destruction of livelihoods and aggravating the problems of unemployment. It is the privatization of public sectors, health, housing, education etc that is aggravating the problems of the poor by increasing the cost of living. It is the corporate led globalization that is aggravating the farmers’ plight. All this amounts to direct or indirect loot of the workers, farmers, and the people at large by the corporate. But the corporate have nothing to pay to the society. Rather, they are being granted huge amounts of benefits in terms of tax exemptions etc. Therefore it is the obligation of the corporate to pay back and the right of the people to get back. The state has the responsibility to ensure this ‘get back’ for the people by way of redistributive justice.

It is in this light we argue that the Social development and social security to the people can never be a charity or business; it is the right of the people and the responsibility of the state. Only by fulfilling this responsibility, the state gets a legitimacy and authority to ask the people to comply with the laws and policies. If it is denying fulfilling this responsibility, it will also loose this authority.

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28 Surendra pratap------global network
For a Universal Social Security System that Empowers the Workers

In the light of the above discussions, it is very much clear that accepting the concept of social security of ILO and UN actually means accepting that: a) there is no alternative, corporate led globalization and current international economic regime is eternal and the contingencies are unavoidable and what we can best do is to provide some help in the form of welfare-charity to those who are worst affected; and b) the cost of these contingency-welfare/charity is to be shared by people themselves (indirect taxes) and no obligation can be put on the corporate towards this.

On the other hand, from the viewpoint of the labour and the people at large, the social security is the right and not charity. A unified and universal social security system must be designed to not only address the contingencies but also include measures to remove/reduce the scope of contingencies. The social security system must be designed in such a way to insure the ‘get back’ from the corporate, rather than extracting from the people further. And most importantly, the social security system must not be privatized and must not be converted in an institution that provides space for the corporate to use social security funds for generating profit.

In this light we can propose the following aspects to be included in the universal social security system:

1. **Basic Social Security**
   A basic social security fund must be created by the government by collecting 75% of the funds from the corporate by way of progressive taxation and 25% from the people by way of progressive taxation. It is to be run by tripartite body of workers’ organisations, state and employers’ organisations. This is the only justified way to ensure the basic security because the privatisation and Globalisation-liberalisation has led to the transfer of all major resources in corporate hands and weakened the state and therefore the major portion of financial

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29 It is very well reflected in the 2011-12 budget of Government of India: “The Budget (2011-12) comes at a time when people are suffering due to high inflation and relentless rise of food and fuel prices. In this backdrop, the massive Rs. 20000 crore cut in major subsidies for 2011-12 on fuel, fertiliser and food, from what was spent in 2010-11 (Revised Estimates), come as a rude shock. The cut in food subsidy by Rs. 27 crore clearly exposes the Government's lack of willingness to enact meaningful food security legislation. The Finance Minister's stubborn refusal to reduce excise and customs duties on petro products and obduracy in moving away from the ad-valorem duty structure, coupled with the cut on fuel subsidy by Rs. 15000 crore, indicates massive increase in fuel prices in the days to come. …The direct cash transfer programme announced for implementation from next year is a smokescreen for this subsidy cut. The current BPL (below poverty line) lists exclude large sections of the country's poor. Direct cash transfers to a small section of beneficiaries cannot substitute for the subsidized provision of essential commodities like food and fuel. The rise in kerosene prices will immediately affect the poor. The Budget has provided relief of Rs. 11500 crore in direct taxes, while proposing to mobilize an additional Rs. 11300 crore through indirect taxes, which will inevitably be passed on to the consumers. This is a regressive taxation regime, which enriches the rich while burdening the ordinary citizens. As per the Statement of Revenue Foregone, total tax concessions reached over Rs. 5 lakh crore in 2010-11, with corporate tax exemptions totalling over Rs. 88000 crore. The tax-GDP ratio, which had reached almost 12% in 2007-08, has declined since then to around 10% in the current Budget. At a time when income inequalities are rising fast, a decline in tax GDP ratio shows the waning commitment towards redistributive policies and a throwback to trickle down economics. No concrete steps to unearth the huge sums of black money stashed in offshore tax havens were announced. The DTAA (Double Taxation Avoidance Agreement) with Mauritius, through which 42% of FDI inflows into India is routed, is the biggest conduit of tax evasion by MNCs and Indian corporates. Rather than plugging such channels, the Finance Minister is signing more tax avoidance treaties with other countries. With resource mobilisation taking a back seat, Plan Expenditure as % of GDP in 2011-12 will decrease from what was spent last year. The Budget Support for the Central Plan in 2011-12 has increased by only 12% over 2010-11, while nominal GDP has increased by 14%. Such squeeze in real expenditure marks all the major developmental heads. The flagship schemes of the social sector have been neglected in the budget and social sector spending is slated to fall in real per capita terms. The allocation for NREGS has fallen by Rs. 100 crore, despite a claimed increase in the wages. The
responsibilities of basic social security must also be shared by the corporate. The basic social security must include the following aspects:

a) Employment as legally enforceable right to all and Unemployment compensation equal to that part of minimum wages, including basic wages (defined in next pages), dearness allowance, housing rent and maternity benefits. It must be applicable to all long term and periodic unemployment (unemployed youth, long term unemployment of workers, seasonal unemployment in various sectors like agriculture etc)
b) Subsidized education, health & sanitation, drinking water and housing facilities to all
c) Food Security to all (subsidized food items throw Public Distribution system)
d) Ecological Security to all, by way of maintaining the ecosystems and prohibiting any activity disturbing it, to protect the people from eco-disasters
e) Land reforms to increase the average size of land holdings
f) Subsidized inputs to small and marginal farmers; and also to other self employed producers
g) Old age pension (equal to that part of minimum wages, including basic wages, dearness allowance, housing rent + free travel and free health care) to all who do not retire with a pension benefit
h) Disability pension (equal to the part of minimum wages, including basic wages, dearness allowance, housing rent and maternity benefits + free travel with one assistant, and free health care) to all disabled persons who are unable to work
i) Maternity benefits to all women. Those who are employed in industries, the cost must be paid by the employers, as it is part of wages and for the rest it is to be covered by the social security fund

2. Contingent Social Security

In view of high level of informalisation, it is necessary to establish an Industrial contingency fund (may be categorized industry wise also) at district (regional) level by instituting a system of collecting proportionate contributions from all employers (including formal and informal industries, private and government industries) by way of progressive taxation. All the workers in the districts (regions) must be registered under the Industrial Contingency Fund (may be registered industry wise also) and they may be allowed to directly claim the benefits from this office. This will also be useful as a first step towards formalization of the workforce.

a) Unemployment created by way of dismissal/retrenchment/layoff or closure of industries: Compensation equal to six months’ salary to be paid by the employers (industrial contingency fund) and if not getting employment in six months then to be considered unemployed under basic social security

provisions for ICDS (Integrated Child Development Services Scheme) are far below the estimates for full universalization as directed by the Supreme Court. Agricultural growth has been below 3% on average in the first four years of the Eleventh Five Year Plan, despite a target of 4%. It is shocking in this backdrop that the budget provision for the Agriculture Department has been cut from last year. The allocations for the welfare of women, minorities, dalits and tribals are thoroughly inadequate. Capital expenditure is projected to fall from 1.7 per cent of GDP to only 1.2 per cent, which will affect basic infrastructure for the people."29
b) **Employment injury compensation:** Total wage for whole period of out of work, and treatment cost + compensation for any minor or major disabilities created by the injury

c) **Death or major disability of workers:** Disability pension or alternative livelihood to survivor + compensation and free education and health cover to the family. In case of workers employed in the industries, total responsibility goes to the employers (industrial contingency fund) and in case of others the responsibility goes to the state

d) **Livelhood destruction and displacement (due to natural or man made disasters):** Decent alternative livelihood ensuring comparable income + rehabilitation along with compensation. The total responsibility goes to the state

e) **Crop failure/ destruction or death of cattles etc:** Enough support to compensate for the losses and to regenerate their livelihood security. The total responsibility goes to the state

**Deconstructing the minimum wage to quantify the social assistance**

To understand and quantify the social assistance, it is important to understand the concept of minimum wage. There is a linkage of the minimum wage with poverty line and also with the amount of social assistance to be extended to those who are unemployed or unable to work. Which part of minimum wages is to be extended as social assistance to those who are unemployed or unable to work?

Let us see, how the poverty and minimum wages are defined in India.

**Poverty:** “Fundamentally, the concept of poverty is associated with socially perceived deprivation with respect to basic human needs…These basic human needs are usually listed in the material dimension as the need to be adequately nourished, the need to be decently clothed, the need to be reasonably sheltered, the need to escape avoidable diseases, the need to be (at least) minimally educated and the need to be mobile for purposes of social interaction and participation in economic activity. … Deprivation may indeed exist in non-material dimensions as well, for instance, gender based or caste-based discrimination. Even in the material dimension, the composition of the minimal basket of basic human needs that the society would expect every citizen to satisfy may be expected to keep expanding with economic and social progress of the society.”

**Minimum wages:** The Minimum Wages Act of 1948 does not provide any concrete definition of minimum wages. However, various committees, commissions and apex court judgements gradually evolved a clear cut definition of the minimum wages in India. Committee on fair wages 1949 suggested that in addition to sustenance of life minimum wages must also provide for some basic level of education, medical requirements and amenities. The 15th Indian Labour Conference suggest to fix minimum wages keeping in view: three consumption units per earner, minimum food requirements as 2700 calories per unit, clothing requirement 18 yards per unit per annum, housing rent at the rate of government subsidised industrial housing scheme, fuel, lighting and other 'miscellaneous' items of expenditure as 20 per cent of the total Minimum Wages. The Supreme Court judgment in case of Workmen of Reptakos Bretl and Co. Vs Management

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1992 further expanded the definition of minimum wages to include additional component of Children's education, medical requirement, minimum recreation including festivals/ceremonies and provision for old age and marriage. The minimum wages Advisory Board in 1991 recommended to link the minimum wages with productivity and also to fix piece rate wages.

It is very much clear that poverty and minimum wage is defined almost in similar manner including almost same number of items: Food, housing, health, education and other amenities. What is additionally included in minimum wage like recreation, festivals, marriage, old age also can not be argued in any way to be excluded from the definition of poverty. So we find that the state defines the minimum wages and poverty in the same way; and it is true that the items that are included in the minimum wages are actually the basic human needs and can not be denied to any person. But when the state computes it in monetary terms, then social assistance goes far below the minimum wages. Why this inconsistency? Actually neither the minimum wages nor the poverty line is computed on the basis of the above concepts and definitions; they are fixed arbitrarily and never arrived at by computing expenses needed in different items as given in the definitions. Moreover, there is no reflection of the fact that “the composition of the minimal basket of basic human needs that the society would expect every citizen to satisfy may be expected to keep expanding with economic and social progress of the society.” There are many other games that are played to reduce the poverty and the minimum wages also. For example, for fixing minimum wages minimum food requirement is generally agreed to be at 2700 calories per unit\(^{31}\), but different authorities include different food items (generally excluding animal proteins) to arrive at 2700 calories to reduce the money amount as much as possible. This game for defining poverty is even more interesting. The most authentic body to recommend the required calorie intake can be the Indian Council for Medical Research (ICMR), and it recommended: 2,425 calories (sedentary work) to 3,800 calories (heavy work) for men and 1,875 calories (sedentary work) to 2,925 calories (heavy work) for women for maintaining health and consistent body weight. But in their exercise to reduce the number of people below poverty line, not only the Indian state but also international agencies ignored ICMR recommendations, and recommended/recognized a far lower calorie requirement for Indian people. FAO recommends 1,770 calorie intake for India and 1,900 calorie for China. Planning Commission of India considers calorie intake of 1,776 for urban and 1,999 for rural per person\(^{32}\). Therefore the Indian government is able to project a low poverty figures and also able to manipulate that poverty is on decline in the country. World Bank, IMF, FAO and all transnational agencies are also happy and they become furious if any one argues against this achievement of theirs. However, one can not fully hide the reality and it suddenly appears and brings embarrassment to them. Professor Utsa Patnaik, exposed in her study that 76% of families or 840 million people in India do not get the requisite daily intake of calories, i.e., 2,100 calories for urban and 2,400 calories for rural residents. A government report itself (Arjun Sengupta Committee Report on Unorganized Sector Workers) exposed that about 77% of people in the country subsist on under Rs 20 per day. Another

\(^{31}\) Dr. Aykroyd's "Adequate Diet"

\(^{32}\) Tendulkar Committee of Planning Commission projected poverty line figures on the basis of these calories intake figures
government report- National Family Health Survey-3 exposed that 46% of children under the age of five are undernourished. The Right to Food campaign exposed the cases of more than 5,000 starvation deaths in different parts of the country between 2001 and 2005.33

Coming back again to the minimum wages, the big question is, can the minimum wage be equated to poverty line? Can the minimum wage be accepted as poverty wage? If not, then how the minimum wage is different from the poverty wage, and which part of the minimum wage corresponds to the poverty line or which part of minimum wage represents the social assistance benefits to be provided to the unemployed or those not able to work?

To answer these questions, we have to deconstruct the minimum wages and compute its different parts separately, taking in to account that “the composition of the minimal basket of basic human needs that the society would expect every citizen to satisfy may be expected to keep expanding with economic and social progress of the society.” In the age of liberalization and globalization, some new needs have been created without which it has become impossible to live and work, for example communication. Moreover, globalization and liberalization has created new risks that need to be addressed in wages like intermittent periods of unemployment due to informalisation. Globalization and liberalization has resulted in privatization and monopolization of resources in the corporate hands that have a highly negative impact on redistributive justice. Taking in to account all theses aspects we can attempt to construct the minimum wages by including following items:

1. **Basic Wages** (in any case not less than 50% of country average wage), to meet basic minimum expenses of family in:
   a) Food and fuel, drinking water, sanitation, clothing, lighting
   b) Education
   c) Health
   d) Recreation, festivals, Marriage etc
   e) Social travel and communication etc
2. **Productivity bonus:** increment in Basic wages with increase in GDP
3. **Dearness allowance**
4. **Housing rent**
5. **Maternity benefits**
6. **Old age insurance** contribution that insures minimum level of social assistance in retirement age
7. **Additional travel allowance for daily travel to workplace**
8. **Lunch and Tea allowance for working days**
9. **Additional Clothing allowance for workers**
10. **Compensation for frequent intermittent periods of unemployment due to informalisation**, on the basis of average days of unemployment for casual workers in different sectors and different regions

33 Sachin Kumar Jain, Reading between the poverty lines, Infochange News & Features, May 2010; http://infochangeindia.org/poverty/analysis/reading-between-the-poverty-lines.html
11. **Employment injury Insurance contribution** that insures total cost of treatment and wages for the days of not able to work and compensation, and pension in case of disability

12. **Retrenchment Insurance**, for providing six months wages as compensation and unemployment allowance for the period of unemployment

The deconstruction of minimum wage in above terms and computing each part separately empowers the workers to understand and critically evaluate whether the fixation of minimum wages is on actual basis or not, and for which part they are actually underpaid. This will not only raise their consciousness but also empower them to clearly articulate demands for improvements/increments in wages.

This deconstruction also helps us in understanding which part of the minimum wages corresponds to the poverty line and therefore also decides the minimum levels of social assistance to the unemployed and to those who are unable to work. Poverty line and also the minimum level of social assistance must be that part of minimum wages including basic wages, productivity bonus, dearness allowance, housing rent, maternity benefits and old age insurance, because this part of minimum wage represents the basic needs of the human beings. Other parts apply only to those who are working. For social assistance, the basket under basic wages may differ in different regions with different situations, for example-if drinking water, education and health are provided by the government free of charge then these items may be excluded from the basket. Dearness allowance also may be different with differential impacts of inflation in different regions. House rent may also be different in different regions of the country.

As for as minimum wages to workers are concerned, it is possible to have a National Floor Minimum Wage, but its importance will be more in terms of common structure of national minimum wage. Deciding minimum amount of national minimum wage will be of very limited value; mainly to set a basic standard below which no one is allowed to hire any worker in any part of the country, and it must be considered as offence to the nation. It is worth mentioning that in India, there is a National Floor wage, but it is actually binding only in the works and industries under control of central government and not binding for works and industries under control of state governments. State governments fix their own minimum wage. National Floor wage is now fixed at Rs 115, and currently the minimum wages fixed by the state governments for different sectors are largely equal or slightly above the national floor wage. However, as we have discussed above, these minimum wages are actually arbitrarily fixed and do not take into consideration the above aspects.

It is also worth mentioning that the compliance of minimum wages is another challenge. Taking advantage of abundant supply of labour and competition among workers, the employers easily violate the labour laws and generally do not pay the minimum wages. In such situations, without a structured system of hiring labour, the compliance can not be insured. In present situations in India the most effective way to build such a system can be by way of establishing labour employment centers in all urban and rural regions and making it compulsory that all workers must be hired through these centers. These centers must be established by the government with active
involvement of trade unions and other labour organizations. The registration of workers in these centers can be skill wise and sector wise. This system can also be linked with the Basic Social Security Fund and Industrial Contingency Fund, as suggested earlier, to ensure a smooth process for providing social security benefits to the workers. In present situations, this system can also be an effective step towards formalization of the informal labour. It will also significantly increase the level unionization and collective bargaining power of the labour.

Towards a Regional Social Security System

Asia, with its population of 4 billion people is home to almost 60% of the global population; and it is also the home of largest number of working poor (71% of the global working poor) and largest number of workers in vulnerable sector. In 2009 Asia accounted for about 57% of the global employment and in contrast accounted for nearly 71% of the total workers in the vulnerable sector (as high as 78.5% in South Asia, 62% in South east and 51% in East Asia). There is rampant informalization of workforce all over Asia and only a tiny minority is protected by labour laws and gets social security benefits. The conditions are becoming so worse that every year about 1.1 million workers die in Asia due to work related reasons.³⁴

There is a drive for large scale land acquisition all over Asia leading to mass destruction of livelihoods and large scale displacement of population. Therefore on the one hand Asia is emerging as a shining economic regions and most important manufacturing hub of the global factory, and on the other hand, workers and people at large in almost all developing countries of Asia are facing one of the worst conditions of life and work and thrown in the crisis of survival.

There are specialties of socio-economic formations of each country, but there are broader similarities and commonalities in Asia (except few developed Asian countries like Korea, Japan, Singapore etc). Moreover, in the current phase of globalization and liberalization the people and the working class in developing countries of this region are facing the similar problems and have the common concerns.

We may see in table below that in Asia, the proportion of wage and salaried employment is very low and self employed workforce (largely the small and marginal farmers and poor people engaged in other traditional occupations) is very high, in contrast to the developed regions where wage and salaried employment is as high as 80-90%. Latin America is also in far better position than Asia in this regard. On this point Asia (particularly South Asia) is more similar to Sub Saharan Africa. Actually this employment structure generally acts as an indicator of underdevelopment. In current situations, larger proportion of self employment generally reflects on the higher level of unemployment or underemployment and therefore also the poverty. We may also see that similar is the trend in case of social security expenditures. Asia is not much better than sub-Saharan Africa.

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It is in this background that the integration of world markets, unrestricted mobility of capital, free market logic and export oriented development is bringing high risks to the people of developing countries. With the strategy of export oriented development based on foreign investment, developing countries are competing with each other for more and more share of exports to developed countries and for more and more foreign investments from the same developed
countries. This competition is unique in the sense that the victory depends on another actual war with its own people, its own working class. Victor is one who is more barbaric in suppressing its own people, its own working class and thereby able to offer better opportunities for the corporate capital to generate super profits. In this cut-throat competition the capital of one country flourishes at the cost of the other, but the working class of all countries face inhuman hardships irrespective of who is the winner. Given the unrestricted mobility of the capital, there is always a threat that investments may at any time fly away to other countries and thereby may lead to mass unemployment. Therefore, this competition between national capitals is of permanent nature. This is one of the reasons why, there is a general and overall offensive against labour in many countries and interestingly they are competing to offer the same to the corporate: flexibility to hire and fire; ensured and unrestricted supply of cheap labour; suppression of trade unions etc; and also ensuring cheap land and natural resources by forcefully acquiring it from the people, granting huge subsidies and exemptions from compliances of labour and environmental standards etc. In such situations, only a common social security system in all developing countries can put this barbaric competition and corporate hunt for cheap labour to an end and save the people from vulnerabilities. The common social security system will also help in curving the distress migration from different countries.

Regional integration of Asian economies on free market logic is going to be disastrous for the people if it is not accompanied with a common social security system for whole of the region. It is very much visible in the concerns of the peoples of poorer countries in ASEAN, APEC and SAARC region. The trade unions and the people’s organization in ASEAN, APEC and SARC are raising these issues and demanding for inclusion of a social dimension in the regional economic integration. The economic integrations must also have an element to integrate the people and to ensure a comparable social security system for the people of the whole region.

There can be many specificities of the social security system of each country with specific socio-economic formations, but the common structure of the regional social security must address the two tasks: the Basic social security and contingent social security. Conceptual framework and items included in the basic and contingent social security system as discussed in the earlier section of this chapter applies to all developing countries in Asia, and therefore it may form a common structure of regional social security system.

However, when we start discussing about the practical aspects of a movement for regional social security system, then we have to face and address various other dimensions of the issue, some of which can be listed as follows:

1. To practically achieve any policy changes, we have to collectively bargain with an authority capable of enacting and implementing these policies. There is no such authority at Asia level and therefore, to talk about Asian social security system can be only effective in terms of raising awareness and consciousness on these issues, sharing of experiences to help each other and developing a broader solidarity, but we can not build a dynamic movement for the Asian social security system. We can see the fate of Asian Floor wage campaign. There are many conceptual-
practical problems with this campaign, but the main problem is that it can only cry but will never be able to build a movement and achieve what it is advocating for. The big question is- who will legislate Asian floor wage? And, is it possible to achieve Asian floor wage without integrating the Asian labour market and without free mobility of workers all over Asia? But the crying also has a positive impact in terms of popularising the issue and raising awareness on the issue. This can be the only achievement of such campaigns. The dynamic movement can be built only at the country level and at the level of ASEAN, SAARC etc. that are emerging as effective regional forums leading to integration of economies, formulating common economic policies, and therefore emerging as regional authorities. It is becoming urgent to build a regional social security movement and compel the ASEAN and SAARC authorities to include the issue of a common social security policy in the process of regional integration. Therefore the campaign for social security in Asia means building dynamic movements for comprehensive social security system in ASEAN, SARC etc.

2. It is to be made clear that advocating for Regional Common Minimum Social Security does not mean advocating for a common basket of social security with same amount of items or same in monitory terms. It can never be achieved and it is illogical given different levels of social economic development and different socio-cultural needs of the people in different countries. What we mean by Regional Common Minimum Social Security is a common structure of social security system with two aspects: basic social security and contingent social security as discussed in earlier section of this chapter. The amount of benefits may vary in different countries, and also number of items in the social security basket may also vary in countries. This much difference may persist. It may also have an impact in terms of creating comparative advantage for lesser developed countries in terms of attracting the FDI. But it will be positive and not negative. If the Basic Minimum wages has a linkage with GDP growth and social assistance has a linkage with basic minimum wages (as discussed in the section on minimum wage), then this comparative advantage may help in accelerating the overall development of lesser developed countries.

3. It is not possible to make everyone equal by simple mathematical calculations. Sometimes it is disastrous also particularly in the current phase of globalisation and liberalisation. For example, fixing a common wage (money amount equal to same purchasing power) may be very difficult (because of currently very low wage) and disastrous (in terms of lossing business) for some countries (generally less developed) but may bring no impact to other countries (generally with higher level of development) and therefore prove beneficial in terms of improving comparative advantage (over the lesser developed ones). Moreover, the common minimum regional wage, Asian wage or international wage is only a utopia. It can never be achieved given different socio-economic formations of different countries and different levels of socio-economic development. But what can be actually achieved is a common structure of minimum wages with a basic wage plus other elements as discussed earlier. Similar logic applies to many other social security benefits also, i.e. we can argue for a common social security structure, but the number of items and amount of benefits may not be the same.

4. To raise such an important issue like regional social security system requires a regional coalition of the working class and people’s movements, coalitions of labour organisations and people’s

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35 Asian Floor Wage campaign talks only about Asian floor wage for a sector-garment. What will be its impact on the economies where the garment is the only major industry? What will be its impact in general? If high minimum wages are only in garment sector, it will certainly lead to flooding the labour supply to garment sector, providing immense opportunities for employers to violate the laws. How the compliance will be insured?
organisations with significant mass base. If the capital is integrating itself at regional level, then working class and people's movement must also integrate itself at regional level. If it is not integrating at the regional level its collective bargaining power at national level is also reduced in such situations. Therefore, to build a social security movement in Asia we have to rearticulate the issues of social security at regional levels, initiate our efforts for regional integration of labour movement and force the agenda of social security to be included in the process regional integrations like ASEAN, and SARC.

To conclude, it is again to be emphasized that the struggle for social security system at national and regional level is the struggle for survival of the people, and to set a base level for collective bargaining. Current phase of globalization has weakened the labour and increased the power of capital by increasing the vulnerabilities of workers and the people in various ways. The social security for the workers and the people at large can be an effective way to empower the working class and turn the balance of power in favour of the working class. National trade unions in India are increasingly realizing this aspect and social security issues are getting more focus in their struggles. In the recent general strike of almost all major trade unions on 28\textsuperscript{th} February 2012 social security issues got prominence in the charter of demands. Recently a new platform of unorganized workers on social security (National alliance for social security) has emerged including the National alliance of street vendors, SEWA, Building and Wood workers international etc. Moreover, Regional platform of trade unions have also started emerging in SAARC and ASEAN. The South Asian Regional Trade Union Council (SARTUC) was formed in January 1988 by some of the affiliates of the ITUC in SAARC countries including Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. However, it is still in the initial stages and not able to build a dynamic movement. In ASEAN region, the movement is more dynamic. ASEAN Trade Union Council (ATUC) is formed as a grouping of 18 representative national trade union centers and confederations of ASEAN countries, including Cambodia, Indonesia, Lao, Malaysia, Philippines, Singapore, Thailand, Vietnam, Burma and Timor. The ATUC has proposed a Trade Union Road Map for a Social ASEAN by way of inclusion of four components of Decent Work Agenda including Rights at Work, Employment protection, Social protection and Social dialogue.

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