

SOME REFLECTIONS ON SOCIAL SECURITY: FROM TOKENISM TO SUBSTANTIVE FAIRNESS

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ABSTRACT

A distinction is made between social security as a charity and social security as a right in this paper. The former is critiqued and the case for the latter is made. Not only international agencies but also Indian governments have made big claims about social security provisioning but actually subscribed to tokenist and ineffective social security initiatives. The paper elaborates the ingredients that underscore social security initiatives embodying substantive fairness with special reference to the Indian context.

Keywords: Social Security, Tokenism, Substantive Social Fairness, Universal Coverage, Minimum Social Wage, Basic Social Security Fund, Industrial Contingency Fund.

INTRODUCTION: SOCIAL WELFARE MODEL

It is a pleasant surprise that Deloitte, the largest multinational professional services network in the world, has hailed the Nordic social welfare model as the best template to guide and usher in worthwhile social protection policies in the rest of the world (Deloitte.Insights. Undated; also see NOSOSCO, 2016).

The Nordic countries (Finland, Iceland, Norway, Denmark and Sweden) appeal to us for having high living standards and low income disparity. They are also interesting to us all the more with government programmes that offer high levels of substantive social support at the cost of high taxes in such a way that economic competitiveness and growth are not jeopardised in the face of disruption. The Nordic countries as also European countries such as Germany and Switzerland are characterised by “the virtues of discipline, thrift, concern for the environment, free college education, universal health care, less inequality, a more vibrant democracy, with a sprinkling of the old-fashioned Protestant ethic.” Unemployment is not a problem, the social-safety net is tighter, people “are less anxious and are able to lead a more dignified life.” These countries are high-tax-rate countries with high quality of life.

Much of the rest of the world exhibits a contrarian world in which the policy makers are brainwashed by trickle-down economics or supply-side economics--the contention without

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empirical support that low tax rate of the top income earners induces economic growth, thereby benefiting the rest of the population. The argument of these policy makers is to give money to the ultra-rich and they will invest it, create jobs, raise wages, and pretty soon the benefits will trickle down to the rest of the society. Believing in this old voodoo economic argument, these policy makers have missed out the reality that lower taxes are not crucial in creating incentives among the super-rich and that transfer payments provide social services, free college education and universal health care and thus increase the productivity of lower income groups. There are no inefficiencies associated with redistribution based on high taxes. There is no equity-efficiency trade-off. High taxes coupled with social spending fosters economic growth and welfare (Komlos, 2019).

Little wonder that as compared to the substantive social protection policies that are integral to the social welfare model of the Nordic countries, the social security initiatives in much of the rest of the world are characterised by tokenism.

The social security initiatives of the international agencies such as the International Labour Organisation (ILO) and the United Nations (UN), which tend to influence the local government policies are also afflicted with tokenism. To put it differently, when international agencies such as the ILO and the UN appreciate the social security efforts of the local governments such as in India, they share the common and dominant understanding of social security provisioning as a piecemeal charity. Instead, our standpoint is that social security is a non-negotiable right of the people based on respecting people like in the Nordic countries.

India's policy makers are especially notorious for their sheer disrespect and neglect of well-being of India's working people through social security measures. The most deplorable aspect of India's development strategy since independence has undoubtedly been the unaltered fact that the unorganized or informal workers, who constitute as much as 91 percent of the labour force, have practically no access to social security.

If we understand social security provisioning as social assistance in kind or cash to those unable to work or those who are unable to earn enough from work to guarantee a basic income or consumption level, and if we understand social security as social insurance to those able to work but who have little access to a safety net that is normally available in the organised or formal sector, then on both counts India's post-independent development has indeed been a failure. There is too much of appearing to be doing something and too little of actually doing anything worthwhile. In a nutshell, India has been afflicted with the faulty and irresponsible governance virus since long, which is far more nastier than the corona virus we have known till now.

The 2020 Code of Social Security has come under heavy fire as a sham as it is not based on sound principles that must underlie the aspiration to provide universal social security for India's entire labour force (Mehrotra, 2020). As such, its ratification by the Parliament actually has the potential of perpetuating and worsening India's developmental failure as mentioned above—as one of much ado about nothing, forcing the vast majority of people to fend for themselves by a stunted living in order to suffer much and die faster.

In light of this, copiously drawing from Pratap (2012), this paper briefly scans the social security initiatives of international agencies and Indian government. Also, how a universal social security system that empowers working people in tune with the Nordic model, is sketched. The reader can check out the detailed references and footnotes in this source that have shaped the bone of contention presented here.

TOKENISM: “Appearing to be Doing”

The International Labour Organisation (ILO) has apparently made a nice case for social security thus: “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... 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.”

The ILO’s social security initiative has six components, viz. enabling access to health services; guaranteeing income security in old age, disability and survivorship; income security for the unemployed; income security in the event of employment injury; family benefits, minimum income support and social assistance; and maternity protection.

The United Nations (UN) has also made an appealing case for a social protection floor in terms of its two components thus: “(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.”

The UN proposes to ensure four guarantees, viz. all residents have access to a nationally defined set of affordable essential health care services; all children enjoy income security through transfers in cash or kind, at least at the level of the nationally defined poverty line, thereby ensuring access to nutrition, education, and care; all those in active age groups who cannot (due to unemployment, underemployment, or sickness) or fail to earn sufficient income (in case of maternity) in the labour market should enjoy minimum income security through social transfers in cash or in kind schemes or employment guarantee schemes; and all residents in old age and with disabilities should 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.

Both the ILO and the UN initiatives are said to complement each other. It is claimed that

together they will 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, and develop a global partnership for development.

CRITIQUE: “Actually Doing Nothing”

The above articulation of the need for 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, is related to only one disastrous aspect of globalization. The horrendous impacts of globalization and liberalization on farmers, labour, environment and people at large are not highlighted. This selective bias is not difficult to understand as the devastating impacts of globalization and liberalisation on the livelihoods of people expose the savage and predatory nature and character of corporate-led globalization pushing privatization and centralization of all wealth and resources into corporate hands, transforming the states as corporate agents, reducing the legal power and economic capacity of the states for public welfare, drastically increasing the cost of living including cost of education, health, housing, transport, essential commodities, etc., and at the same time compressing the share of wages by increasing the reserve army of unemployed labour.

Clearly, the social security initiatives of international bodies merely want to redress some adverse repercussions of contingencies without addressing the root causes of those contingencies. They endorse the view that there is no alternative to providing some help to those who are worst affected by the contingencies, so that they do not die, and they remain in the labour force and they keep on reproducing labour force to ensure unlimited supplies of vulnerable and cheap labour for the transnational capitalist class.

The international initiatives make big claims but they offer virtually nothing. The UN social floor initiative clearly says that the level of benefits and scope of population covered for each guarantee proposed will depend on the national conditions. Thus, it does not propose universal coverage of these guarantees. Leaving the level of coverage and level of benefits to be decided by the nation states means that if the states have covered some portion of population (and that is actually the case in many countries) then they will get into the good books and looks of these agencies.

The UN Social Protection Floor is very clear about only one thing--the total cash/kind transfers must ensure a basic basket of food (and other essential services which are never specified) so that people do not die. And universal coverage is not necessary. Is it not shameful to talk like this about human beings?

The Social Protection Floor is not bothered about how to remove those factors from the national and international economy that create inhumane conditions forcing people to die of hunger and illness. It says that an economy can grow if only people can move from the informal to the formal economy and thus migrate from low productivity subsistence level activities so as to become tax and contribution payers. But it does not propose any policies or legislations to convert the informal economy into the formal economy. By always advocating

liberalization, flexibilization of labour, and amending labour laws to make hire and fire smooth and easiest, and by accepting the rampant informalization of labour force forcefully imposed (even by violating the labour legislations), international bodies such as the UN indulge in a hypocritical duality.

Both the UN and the ILO initiatives are silent about various crucial insecurities of economic and social dislocation created by globalization and liberalization. Besides, there are additional problems with these initiatives as follows.

First, for all practical purposes, unemployment is defined only in terms of short term contingency and not as a systemic problem. Under globalization unemployment is a systemic problem. It is created to maintain a huge reserve army of labour to put downward pressure on wages and make workers languish always in a vulnerable state. Moreover, informalisation of labour force makes the unemployment contingency a regular contingency and not an occasional one. Therefore, treating unemployment as a short term contingency is actually tantamount to hiding the real problem and denying the unemployment benefits to the workers for actual days of unemployment and on a long term basis.

Secondly, these initiatives are very shrewd moves to transfer the entire burden of economic and social adjustment ultimately on to the people only. These initiatives advocate that social security is the responsibility of the state, but in saying so, they are advocating that there is no responsibility of the employers/ corporates in general. If we read these initiatives in conjunction with the IMF and the World Bank directives to the states to put more emphasis on tax collections through indirect taxes than direct taxes, it is evident that ultimately it will be the people who will pay for their social security. This is not all. There is a green signal for the corporates to loot the people further. The dictates of the 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.

As social security is increasingly privatized by way of introducing private insurance schemes (e.g. privatized health insurance schemes), the money of social security will ultimately go into the corporate hands. Take, for example, the 2002 National Health Policy of India. It was a clear move towards privatization of health care. It could lead to dismantling or privatization of Employees State Insurance Corporation that currently provides health insurance and other benefits to the formal workers. The contributory schemes integral to the current social security systems are actually putting double burden on the people--paying taxes for state contributions and also paying their own contributions.

Thirdly, employment injury and unemployment contingency created by closures, lockouts and retrenchments are clearly the responsibility of employers, but the new social security initiatives are passing them on also as the responsibility of the state. Employment injury insurance in India is under the Workmen's Compensation Act and is the employers' liability, but the recommendations of the Second National Labour Commission to amend the labour laws, would 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 efforts have been made to make it part of Employees' Provident Fund Scheme or some other social insurance scheme.

Fourthly, formal sector workers are also increasingly being informalised and so they are also moving out of the coverage of social security benefits. Approximately 73 million out of 173 million wage earners throughout India do not receive minimum wages. As a result, there is an urgent imperative to implement some pathbreaking measures to address the task of extending universal coverage of social security to all workers. But the ILO and the UN initiatives do not have any measures to this effect.

Fifthly, the international initiatives as also the local state initiatives focus more on fixed amount of cash transfers. These cash transfers are not indexed to inflation and therefore the value of transfers is actually eroded by inflation, especially food inflation.

In such grave situations, the question arises as to why suddenly social security has become the hot agenda of the international agencies, the transnational capitalist class and the nation states. What are they actually after?

Their concerns and motives are revealed thus: "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."

Thus, we come to know the real concerns of these initiatives. And these are actually the concerns of the transnational capitalist class. The first concern is to ensure unrestricted supply of employable and cheap labour. The second concern is even more important. Globalization and liberalization are worsening the conditions to be beyond bearable limits, and this may very soon force the emergence of volcanic anti-globalization movements and revolts. This is the real danger for the transnational capitalist class and so it is the real concern behind the international social security initiatives. As in the case of corporate social responsibility, their emphasis is more on 'appearing to be doing' rather than 'actually doing'. Tokenism or appearing to be doing saves the costs and also effectively manipulates the consent of the workers and the people in favour of ruling states and capital in general.

This clever strategy of appearing to be doing is reflected in the way the ILO and the UN have praised the efforts of some developing countries such as India towards achieving universal coverage of social security. For example, both of them have praised the achievements in case of old age pensions in India. But we know very well the reality of old age pensions in India. First, old age pension is only for the below poverty line (BPL) old age people and not for all. Secondly, the poverty line in India excludes a large number of the poor actually living below poverty line, mainly due to erroneous formulae for deciding the eligibility. And what is

actually offered under the old age pension? Suppose the amount is increased from Rs 200 to Rs 500 per month. In any part of India, even in the worst *dhabas* (street hotels) one cannot get a meal for less than Rs 25; at home also it does not cost less than Rs 20. So, if three meals are taken a day, this pension can guarantee food for a maximum of 9 days. Moreover, as these payments are not received regularly (due to lack of funds), one can see hundreds of old age people demonstrating every year before the local and district authorities in almost every state of India for coverage under the scheme and for payment of timely pensions. Is it not shameful that the ILO and the UN have praised such a pittance of a pension scheme?

Consider the 2004 New Pension Scheme or National Pension System of the Government of India, made applicable to the central government and railway employees. The Pension Fund Regulatory and Development Authority Bill was introduced by the government in the Parliament on March 24, 2011 for legalizing this scheme and extending its applicability to other sectors. This was a new pension scheme based on defined contribution system and it replaced the old scheme based on defined benefits. In the new scheme, every month 10 percent of Pay and DA is deducted from the salary of the employees and the government contributes an equal amount. No interest is paid on this amount and it is transferred to the trustee bank that will invest the money in the share market and junk 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 percent of money for his use and he has to invest the balance 40 percent 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 as after the employee's death the pension will end. Which means that the invested money will be lost. In the earlier pension schemes there was a provision of guaranteed pension amounts, family pension, gratuity, and disability benefit. But in the new scheme all these benefits are lost and there is no guarantee of retrieving 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 it will contribute Rs. 1000 per year for five years till 2015-16 for those joining the scheme in 2011-12. But there was no significant enrolment in the scheme. Trade unions have opposed this pension scheme and raised demands for not privatizing and not investing the pension funds in share market. And they have asked for restoring the benefits like guaranteed minimum income, dearness allowance, gratuity, family pension, etc.

Another quintessential example of much ado about nothing 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. It actually incorporates 10 already existing social security schemes applicable in various unorganized sectors (Indira Gandhi National Old Age Pension Scheme; National Family Benefit Scheme; Janani Suraksha Yojana (protection during maternity period); Handloom Weavers' Comprehensive Welfare Scheme; Handicraft Artisans' Comprehensive Welfare Scheme; Pension to Mastercraftsmen; National Scheme for Welfare of Fishermen and Training and Extension; Janshree Bima Yojana (insurance scheme);

Aam Admi Bima Yojana (insurance scheme); and Rashtriya Swasthya Bima Yojana (health insurance scheme).

This 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.

This Act appears to be promising much, but actually it is a best illustration of appearing to be doing rather than actually doing. The following downside aspects of the Act are worth noting.

This Act is essentially for BPL workers and not all workers in the unorganized sector. The definitions of the terms "self-employed worker" and "wage worker" provide the limits to be prescribed by the government for monthly earnings or the extent of land holdings or monthly wage. This is actually an attempt to create a divide among the unorganized sector workers as being above or below poverty line. 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 of extension of labour laws like the Industrial Disputes Act to the informal sector is actually nothing but fooling the working class, even as more and more attempts are made to exclude more and more formal workers out of the coverage of the protective sections of the Industrial Disputes Act. Moreover, the labour laws require proof of employment and majority of informal workers do not possess any proof of employment. Further, the eligibility criteria, the scale of benefits and the conditions of payment are not spelt out. Trade Unions are consciously kept out of the Boards constituted to look after the implementation of this Act. Lastly, the Act is completely silent on what will be the funding arrangements to meet the cost of social security.

In sum, the Unorganized Workers Social Security Act actually institutionalizes the informalisation by institutionalizing the labour market dualism. As such, 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 then shameful that the ILO (as the custodian of the working class) and the UN (as the custodian of human development) have praised such legislations and schemes? What a fall!

In the same vein, the well-publicized and well-praised progress in universalization of primary education in India is a complete fraud. It is another marvellous example of strategizing to appear to be doing rather than actually doing. It is very much evident particularly in its focus on informal education.

The most important and praiseworthy scheme implemented in India is actually the National Rural Employment Guaranty Act. However, the realities on the ground have revealed

that it has also appeared to be doing rather than actually doing. Nowhere in India have the workers got 100 days of employment. And only in the rarest of the rare cases, payment of unemployment benefits has been made.

Substantive Social Fairness

The concept of social security is not independent of the concept of socio-economic development. But what is development? How can we understand and track the grassroots development of a country? The nation is not just a geographical map; it is the people who make the nation. So, development will have to mean 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 fulfilment of the collective aspirations of the people for sustainability of the globe and humankind and other species. Development cannot be measured by the growth of concrete buildings, emergence of huge statues and glittering cities and growth of transnational corporations. With the growth of economic wealth if there is no comparable development in living, educational, health and cultural standards of the people and democratic institutions in the society, then there is no positive development. There is only a negative and distorted development. Which is the truth that numerous researchers have unearthed. The poor in India are reduced to statistics. In the dry language of development reports and economic projections, the true misery of the 312 million who are BPL, or the 26 million displaced by various projects, or the 13 million who suffer from tuberculosis gets overlooked. Our policy makers are shameless and thick skinned like this only (Sainath, 2000).

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

From the perspective of labour and the ordinary people at large, allocation of more and more resources will have to be directed towards social protection and security and not for accumulation of wealth and profits on the part of a minority. Consequently, it is generally perceived that economic growth may be slower. For example, the ILO and the UN accept that the former communist countries including the smaller ones, have more social security coverage than non-communist countries with comparable GDP. The overall socio-cultural and educational development of the people in these countries was also at a higher level than in 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. And to achieve this, it is argued that there must be no government interventions in the economic sphere and that the wellbeing of the people must be left to the supply and demand magic of the market-god to be supplemented by the corporate social responsibility initiatives, if any. Therefore, the issue of redistributive justice and people's wellbeing through high taxes on the rich is sidelined in the process of succumbing to the logic of fast economic growth. People are thrown into the conditions of chronic poverty and hunger in the name of the trickling down effects of faster

economic growth and on top of this people are blamed for their own abject conditions along with some welfare offerings out of some mercy on them. By propagating and implementing the logic of faster growth in the society, capitalists psychologically weaken the people with the vision of social security as not a right of the people but as a charity provided by the benevolent state and capital. All this justification pales in the face of the European evidence, as mentioned in the beginning of this essay, to the effect that equity-efficiency trade-off is a myth perpetuated by conventional economists and the various international agencies and platforms sold out to them in the service of the corporates.

If we look historically, we notice that it was the rise in productivity (by hundred times) of the workers in the 19th century that made it possible to realize the eight hours working day. It was, of course, not granted automatically. A large number of workers had sacrificed their lives in the eight hours working day struggle all over the world and then only the capitalists were compelled to accept it. But behind the emergence of this struggle and acceptance by the capitalists, the great and overall increase in labour productivity was the most important factor in the reduction of the working day. And when we look at the developments from the 20th century to the 21st century, labour productivity has gone up by more than 1000 times. For instance, in 1920 steel production needed more than 3 worker hours per tonne and in 2000 it needed only 0.003 worker hours per tonne. Productivity raised by computers alone 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 elbow room for workers to enhance the quality of their lifestyles and routines through recreation and other life-enhancing opportunities.

But actually, what is happening, particularly in the developing countries of Asia, which have emerged as the most important manufacturing hubs of the global factory? Working hours, in general, have increased. In most industries, workers are compelled to work around 10 hours a day--with compulsory overtime of two hours. In some cases, for example, as 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 commuting robs workers of two more hours. For workers, these two hours need to be taken as unpaid working hours. To conclude, in general, working hours have gone up to 11 to 12 hours with two unpaid hours.

With increases in productivity, wages are actually declining rather than increasing. This anomaly can be seen in terms of shrinking formal sector workforce, and the replacement of formal workers with informal workers who get as low as half and sometimes one-third of the salary that the formal workers receive for doing the same work. Labour costs have 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 on the part of the workers. Anyone can acquire the skills to work on these machines in one or two days--sometimes only in a few hours. It is very clear that informalisation of the deskilled workforce amounts to the heavy loot of decent wages. And this loot becomes even more barbaric when the informal workers are not even paid the legal minimum wages and other legal benefits. In order to avoid the payment of compensation

and medical expenses, employers, in general, send the accident-stricken workers to the hospitals and then deny that any such workers were employed in their factories. Not providing employment injury compensation and medical aid to workers facing accidents is nothing but brazen wage-loot. Employers are degenerated to the extent of not even recognizing the injured workers in the aftermath of major accidents in their factories. All the benefits earmarked in labour laws for the workers are part of their wages but they are deemed high wage costs for the employers. Wages must include all the costs necessary for production and reproduction of labour. They should include food and cloth, and also the cost of housing, health, education, recreation, child bearing, safety, etc. Maternity benefits are also part of wages. So are the unemployment benefits. Unemployment compensation is a necessary cost for production and reproduction of labour. With the development of economy and with the rising social standards, items in the necessary costs for production and reproduction of labour also increase. And this cost will have to be covered from the increasing surplus value produced by labour with rising labour productivity. However, all this is conspicuous by its absence in the real world.

Globalization and liberalization forces have to be squarely blamed for leading to mass destruction of livelihoods and aggravation of 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 corporates.

But the corporates do not want to pay anything in return to the society. Is it not odious or absurd that they are being granted huge amounts of benefits in terms of tax exemptions, etc. all the same? It is our contention that the corporates will have to pay back to the society. And it is the right of the people to get back from the corporates who exploit them. The state has the responsibility to ensure this 'get back' for the people by way of redistributive justice through high taxes on the corporates. The Nordic social welfare model is, after all, based on this give and take, for the betterment of all.

It follows from the above discussion that social security to the people is integral to equitable socio-economic development and can never be a charity or a business (taking more and giving less); it is the right of the people and the responsibility of the corporates and the state. Only by fulfilling this responsibility, the state and the corporates get a legitimacy and authority to ask the people to comply with their goals, laws and policies. If they do not fulfil this responsibility, they deserve to lose their authority sooner or later. They deserve to be replaced by political leaders committed to people's concerns such as Jose Mujica of Uruguay and by worker-led cooperatives that unleash the unlimited energies underscoring a social and solidarity economy (see Tremlett, 2014; Pencavel, 2012; and New Economy Coalition, Undated).

UNIVERSAL SOCIAL SECURITY SYSTEM

A unified and universal social security system must be designed to not only address the ad-hoc contingencies that pop up now and then but also to eliminate forever the root-causes of such contingencies. It must be designed in such a way as to ensure to get the 'get back' from the corporates. And most importantly, it must not be privatized and must not be downgraded as

an institution that provides space for the corporates to use social security funds for generating their own profits.

We can, therefore, propose the following aspects to be factored into the universal social security system.

Basic Social Security

A basic social security fund must be created by the government by collecting 75 percent of the funds from the corporates and 25 percent from the people by way of progressive taxation. It is to be managed by a tripartite body of workers' organisations, state and employers' organisations. This is the only justified way to ensure basic security because the liberalisation, privatisation and globalisation model has led to the transfer of all major resources into corporate hands and weakened the state. Our proposal is, unequivocally, that the major portion of financial responsibilities of basic social security must be shared by the corporates. It is rather surprising that even many pro-labour intellectuals in the country are not bold enough to propose like this and stand by it.

Basic social security must include the following aspects: (a) Employment is a legally enforceable right of all and unemployment compensation must equal that part of minimum wages, which is a sum of basic wages, dearness allowance, housing rent and maternity benefits. It must be applicable to all long term and short term kinds of unemployment; (b) There ought to be subsidized education, health and sanitation, drinking water and housing facilities for all; (c) There should be food security for all (subsidized food items made available through a sound public distribution system); (d) Ecological security for all must be ensured by way of maintaining the ecosystems and prohibiting any activity disturbing it, in order to protect the people from eco-disasters; (e) Land reforms need to be done to increase the average size of land holdings; (f) Subsidized inputs must be provided to small and marginal farmers; and also to other self-employed producers; (g) Old age pension (equal to that part of minimum wages in terms of basic wages, dearness allowance, housing rent, and free travel and free health care) must be provided to all who do not retire with a pension benefit; (h) Disability pension (equal to that part of minimum wages in terms of basic wages, dearness allowance, housing rent and maternity benefits plus free travel with one assistant, and free health care) must be given to all disabled persons who are unable to work; and (i) There should be gender-sensitivity by way of maternity benefits to all women. For women who are employed in industries, the cost must be borne by the employers, as it is part of wages, and for the rest, it is to be covered by the social security fund.

Minimum wage, as mentioned above, needs to be clarified, as 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? We answer this question as follows.

Poverty is defined thus: "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.”

The Minimum Wages Act of 1948 does not provide any concrete definition of minimum wages. However, various committees, commissions and apex court judgements have gradually evolved a clear-cut definition of the minimum wages in India. The 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 suggested the minimum wages fixation, keeping in view three consumption units per earner, with minimum food requirements as 2700 calories per unit, clothing requirement of 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* 1992 further expanded the definition of minimum wages to include additional components 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 decent piece rate wages.

It is very much clear that both poverty and minimum wages are defined to include almost the same items: food, housing, health, education and other amenities. The additional inclusions in minimum wage like recreation, festivals, marriage, and old age cannot be argued in any way to be outside of the definition of poverty. So, we find that the state defines minimum wages and poverty more or less 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 cannot be denied to any person. But when the state computes it in monetary terms, then social assistance goes for a six to be far below the minimum wages. Why is 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 consideration 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 clever games that are played to reduce poverty and the minimum wages measurement. For example, for fixing minimum wages, minimum food requirement is generally agreed to be at 2700 calories per unit, 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 cunning game for defining poverty is even more interesting. The most authentic body to recommend the required calorie intake is 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 BPL people, not only the Indian state but also international agencies have ignored the ICMR recommendations, and have recommended/recognized a far lower calorie requirement for Indian people. The FAO recommends 1,770 calorie- intake for India and 1,900 calories for China. The Planning Commission of India considers calorie-intake of 1,776 for urban and 1,999 for rural persons. Therefore, the Indian government is able to project low poverty figures and also able to manipulate that poverty is on the decline in the country. The World Bank, the IMF, the FAO and all transnational agencies are also happy with these dubious exercises and they become furious if any one argues against this achievement.

The truth, however, is different from that of these slimy exercises. Utsa Patnaik has rigorously established that 76 percent 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 (The Arjun Sengupta Committee Report on Unorganized Sector Workers) also pointed out that about 77 percent of people in the country subsist on under-Rs 20 per day. Another government report, The National Family Health Survey-3, unearthed the reality that 46 percent of children under the age of five are undernourished. The Right to Food Campaign had exposed the cases of more than 5,000 starvation deaths in different parts of the country between 2001 and 2005.

Coming back to the discussion on minimum wages, we can pose a big question thus: can the minimum wage be equated to poverty line? Can the minimum wage be accepted as poverty wage? If not, then how is the minimum wage 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? These are the right questions that need to be answered.

In order to answer these tough questions, we construct the total minimum wages and also compute its different parts separately, taking into account the sane view 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 (e.g. communication). Moreover, some new risks have emerged that need to be accounted for in wages computation (e.g. intermittent periods of unemployment due to informalisation). Added to these developments is the development, as already mentioned, of privatization and monopolization of resources in the corporate hands that have already had a highly negative impact on redistributive justice.

Taking into account all the above issues, we can construct the minimum wages—better termed as minimum social wages in contrast to the demeaning minimum subsistence wages--by including 12 components, like nobody ever did before, thus:

1. Basic wages (pegged at not less than 50 percent of the country average wage), to meet basic minimum expenses of a family with regard to food and fuel, drinking water,

sanitation, clothing, lighting; education; health; recreation, festivals, marriage, etc.; social travel, communication, etc.;

2. Productivity bonus, i.e. increment in Basic Wages with increase in GDP;
3. Dearness allowance;
4. Housing rent;
5. Maternity benefit;
6. Old age insurance contribution that ensures a minimum level of social assistance post-retirement;
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;
11. Employment injury insurance contribution that ensures total cost of treatment and wages for the days unable to work, and compensation and pension in case of disability; and finally,
12. Retrenchment insurance, for providing six months wages as compensation and unemployment allowance for the period of unemployment.

Computation of total minimum social wage and its components separately on the above lines 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 enable them to clearly articulate demands for improvements/increments in wages.

Computation like this surely helps us in understanding which part of the minimum wages corresponds to the poverty line and in deciding the minimum levels of social assistance to the unemployed and to those who are unable to work. Poverty line and the minimum level of social assistance must be part of minimum wages as a sum of basic wages, productivity bonus, dearness allowance, housing rent, maternity benefits and old age insurance, because this part of minimum wages represents the basic needs of the human beings. The 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.

A National Floor Minimum Wage can be fixed mainly to set a basic standard below which no one is allowed to hire any worker in any part of the country. An employer anywhere in India employing a worker below this would be deemed as wilfully indulging in an offence to the nation.

In India, there is a National Floor Wage, but it is actually binding only in the works and industries under the control of central government and not binding for works and industries under the control of state governments. State governments fix their own minimum wages. The minimum wages fixed by the state governments for different sectors are largely equal or slightly above the national floor wage. However, as already pointed out, these minimum wages are actually arbitrarily fixed and do not take into consideration the 12 components as mentioned above.

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

CONTINGENT SOCIAL SECURITY

Given high levels of informalisation, it is necessary to establish an Industrial Contingency Fund at the district level by instituting a system of collecting proportionate contributions from all employers (in formal and informal industries, private and government industries) by way of progressive taxation. All the workers in the districts must be registered under the Industrial Contingency Fund 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.

The Industrial Contingency Fund will address the following issues: (a) in case of unemployment created by way of dismissal/retrenchment/layoff or closure of industries, compensation equals six months' salary to be paid by the employers. In case employment is not obtained in six months, then the person will be considered unemployed under the basic social security fund; (b) employment injury compensation will be total wage for the whole period out of work, and treatment cost plus compensation for any minor or major disabilities created by the injury; (c) in case of death or major disability of workers, disability pension or alternative livelihood to survivor plus compensation and free education and health cover to the family will have to be provided. In case of workers employed in the industries, total responsibility lies with the employers (industrial contingency fund) and in case of others the responsibility goes to the state; (d) where there is livelihood destruction and displacement (due to natural or man-made disasters), there will be decent alternative livelihood ensuring comparable income plus rehabilitation along with compensation, and the entire responsibility for this goes to the state; and finally (e) where there is crop failure/destruction or death of cattle, etc, there will have to be enough support to compensate for the losses and to regenerate livelihood security. The total responsibility is again with the state.

CONCLUSION

A barbaric spectre is haunting the ordinary, working people of India now. The fate of every worker will be controlled by the market. Market teaches everyone to take care of himself and survive or perish on his own without getting any support from anyone. The corporates will not give anything in return to society out of the profits they make without attending to the deleterious externalities of their activities. Social security will have to be bought from the market, and one can enjoy the extent of it only to the level of one's purchase. Those unable to buy are poised to encounter hell over their lifetime, and die suddenly one day like in 'encounter deaths'.

In the backdrop of this spectre, this paper has critically looked at the social security initiatives of the state and international organisations taking care of the interests of the transnational and national capitalist classes. And it has proposed an alternative perspective of social security related to the solid and radically humanistic social welfare model of the Nordic countries.

Unless we reinvent again and move towards the politics and economics of social democracy, the ordinary people, the working people, will not escape from the ravages of the ongoing age of barbaric capitalism. The other alternative for humanity is to organise economic activities by completely shifting to the humane principles of the social and solidarity economy (see Bose, 2022).

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