

Proceedings of the Kolkata Seminar
On
Securing Social Protection Floor
Through
Unemployment Insurance – 25-26 May 2017

National seminar on unemployment insurance as a measure of social protection floor was organised for the first time in Kolkata by Social Security Association of India (SSAI) in collaboration with Friedrich Ebert Stiftung (FES) on 25-26 May 2017 at Hotel Hindustan International, Kolkata – 700 020. The seminar was inaugurated by Dr. L.D. Mishra, retired Secretary, Government of India and a Senior Member of SSAI. The key note address on the occasion was delivered by Shri Abhinav Chandra, Secretary, Department of Labour, Government of West Bengal.

2. The distinguished faculties, management experts, representatives of Chambers of Commerce, veteran central trade union leaders and social security experts were welcomed by Shri B. N. Som, Secretary General, SSAI. Welcoming the participants, he explained the objective of the seminar stating that it was designed to highlight how with the means of unemployment insurance, we could provide social protection to the people at large and workers. With the help of this social security instrument, the State could provide much needed social protection to its citizens. With the spread of globalization, need was felt to protect workers when they lose their job – the only means of their livelihood. It was also an effective intervention for ensuring social protection. He referred to the ILO recommendation made in its 100th session by adopting a resolution that

in the new globalised economic market, keeping in view the national circumstances, “each nation should establish as quickly as possible and maintain their social protection floor comprising basic social security guarantees. The guarantee should ensure at a minimum that all-in need have access to essential health care and to basis income security which together secure effective access to goods and services defined as necessary at the national level.”

3. Dr. Pravin Sinha, Senior Advisor (IR), FES, New Delhi, in his introductory speech emphasised the need for designing effective social protection tools to ensure industrial harmony and to foster harmonious industrial relations. He appreciated this venture of the SSAI to bring up the issue of unemployment insurance for developing a constructive dialogue amongst the stake-holders to establish the regime of unemployment insurance as a buffer to the system of hire and fire increasingly engulfing the employment market.

4. Shri Abhinav Chandra, Secretary, Government of West Bengal in his key note address highlighted the initiatives taken by Government of West Bengal to protect the interest of the job seekers by establishing an employment bank for them. This scheme is also known as Yubashree scheme. It is a financial assistance scheme of the government for the unemployed youths of West Bengal. Every year under this scheme a list of one lakh unemployed youth is prepared. An applicant should be within the age of 18 to 45 years with minimum education qualification of class VIII pass and should not have availed of financial assistance/loan under

any other central government sponsored schemes. Only one member of a family is eligible to receive assistance under the scheme. The beneficiary will receive Rs.1500/- per month.

5. Dr. L.D. Mishra in his inaugural address observed that the discussion on unemployment insurance was a very timely and appropriate collaborative initiative of the SSAI, Government of West Bengal, FES, ILO, ESIC, HDFC Ergo, Bharat Chamber of Commerce, JNU New Delhi, employers and trade union organisation. He then narrated the confluence of number of creative forces and energies in developing Indian model of growth. Quoting from forward written by Rajiv Gandhi, the then our Prime Minister to the 7th Five Year Plan as follows:- “Development is not about the factories, dams and the roofs. Development is basically about the people. The goal of development is the people’s material, culture and spiritual fulfilment. The human factor, the human context is of supreme value. We must pay much greater attention to these questions in future.” He then alluded to the writings of the poets, like, Bihari Lal, Chandi Das, Rabindra Nath Tagore on the issue for social protection for the people and how that issue was linked to the concept of humanity and social protection. He stated that employment relationship in a normal situation was quite different from the situation where such relationship stood severed because of retrenchment or displacement at the work place rendering them unemployed and making them fend for themselves. Such a relationship would be characterised as one of instability, uncertainty and insecurity where the workmen did not have any worthwhile support

to fall back upon. When the workers were out of employment due to circumstances completely beyond their control, they should be entitled to attention and some form of protection from the State, as an agent of the society. In support of his statement, he referred to Article 21 of the Constitution and said that human life was not a mere biological or any animal-like existence but an existence which deserved to be treated with respect, with dignity, security, equality and freedom and for this the State was required to rise on the occasion and had to provide the minimum social protection by way of training, retraining, career counselling, redevelopment and unemployment assistance.

6. He also raised the following questions for discussion in the seminar:-

- What was open unemployment?
- What was under employment?
- Was there a difference between employer and employment?
- What consequence followed from unemployment and under employment which need protection- urgent and imperative?

7. After dilating on the various aspects of employment as stated above, he concluded to state that should we decide to set up any unemployment insurance fund as was originally envisaged under National Renewal Fund (NRF), the following questions would appear relevant for consideration: -

- a) What should it include and what it should exclude?

- b) What should be the liability criterion and what should be the employment and income limits for protection?
- c) What should be the rate of contribution?
- d) Who should contribute?
- e) What should be the rate and duration of benefit?
- f) Who should administer the benefit?
- g) Would it be appropriate for just administration of the fund to entrust it to ESIC who was already implementing Rajiv Gandhi Shramik Kalyan Yojana.?

8. After the inaugural session, five technical sessions were held on day one and one technical session consisting of a panel discussion was held on day two.

9. In the first Technical session, the ILO perspective on SPF was presented by Mr Marcus Ruck. Senior Social Security Specialist, ILO. Dr Kaka Sarma, Director, Bharat Chamber of Commerce chaired the session.

10. Mr Ruck stated that 80% of people in the world were living in social insecurity and 20% in abject poverty. Economic growth did not automatically reduce poverty. Social security transfers were found to be a powerful tool to reduce poverty and inequality. The notion of tradeoff between efficiency and equity was a myth. Cash transfers in developing countries was having multiplier effect on local markets; stimulating local production inter alia of food. In that context he averred that social

security benefits were widely recognized as social and economic stabilizers in times of crisis.

11. Referring to the UN Chief Executive Board's decision on the "Social Protection Floor Initiative", he said that it was one of the nine point initiatives to confront the crisis of poverty and hunger and paved the way for a fairer and more sustainable globalization. He then, quoting from the United Nation's decision stated that a social protection floor could consist of two main elements:

- Services: geographical and financial access to essential services such as water, and sanitation, health and education
- Transfers: a basic set of essential social transfers, in cash and in kind, as aid to the poor and vulnerable to provide minimum income security and access to essential services, including health care

12. He then pointed out that ILO was on its part promoting the social transfer component of the social protection floor, i.e., a basic set of essential social guarantees through transfers in cash and in kind. Further, he said that the concept of social protection floor presented a holistic vision of national social protection system as key element of national development strategies. He also observed that social protection floor was not a ceiling but a moving target. He concluded his presentation

by stating that Social Protection Floor Initiative had been accepted with great enthusiasm and support from governments, social partners, civil societies and from UN agencies. The concept was widely endorsed and was developing into an accepted component of the overall social development strategy of the UN system. He felt that sustained advocacy would ensure the floor remaining on the agenda and moving forward.

13. The second Technical session was charred by Dr LD Mishra and the application of the concept of SPF in India was presented by Prof Srivastava of JNU. Dr Mishra eloquently introduced the speaker stating that SSAI could not have invited a better expert than Prof Srivastava who was an authority on the subject in India. He called upon the participants to look forward to listen to an absorbing and masterly discourse on the subject to be fully equipped to discuss the various contours of the issue of unemployment insurance as a viable social protection tool.

14. Prof. Srivastava at the outset explained the rationale for social protection. He said that in 2010, global GDP was 10 times larger than it was in 1950. But even then 20% of global population, was living in abject poverty, 38% did not have access to adequate sanitation and 92.5 crore of people were suffering from hunger. The decision-makers, in that scenario, then concluded that growth alone could not tackle the issues of poverty, deprivation and of decent work. What was needed was to put in place some form of social protection with emphasis on social inclusion leading to empowerment of the vulnerable segment of the society. It was felt that social protection was linked to progressive realisation of human

rights. But the contradiction was that 75% of the world's population lived without adequate social protection.

15. He then referred to the decision of the World Commission on the Social Dimension of Globalisation which recommended a minimum level of social protection for the individuals as undisputed part of the socio-economic floor of the global economy. He also referred to National Commission for Enterprises in Unorganised Sector (NCEUS) which had argued for "Social Wage and a social floor for India". The concept of social wage consisted of a minimum wage and a bundle of entitlements as basic rights, such as, right to work" which was broadly akin to ILO's movement for 'decent work'.

16. He then elaborated the UN Chief Executive Board's concept of Social Protection Floor for eradication of poverty and deprivation. Since 2009, he said, the concept of social protection floor had been discussed and endorsed by various countries including India. He pointed out that the important aspect of the concept of SPF was that it should be established by law so that the mechanism to ensure gender and inter-group equality could be enforced. The impact of this concept would result in access to essential goods and services, income distribution, empowerment and collective participation. He concluded that SPF and sound social protection system could be key drivers for equitable, just and inclusive growth. And for financing of SPF, his finding was that a modest percentage of national income would suffice. ILO study over 10 countries

had showed that the cost of SPF package (excluding health and education) in 2010 varied between 2.5% and 5.5% of national GDP.

17. Dilating on the constitutional basis for social protection in India, he said that the directive principles of our Constitution called for the State to provide for adequate means of livelihood and from Article 41 to Article 47 of the Constitution mandated the State to make effective provision for securing right to work, right to education and right to public assistance in cases of unemployment, old age, sickness and disablement. It also called for raising of the level of nutrition and the standard of living of the people as amongst the primary duties of the State.

18. He observed that in India there was a puzzling matrix of high growth with high deprivation and high inequality. He said that this was eloquently reflected in the fact that 93% percent of workers did not have any formal contract and the percent of wage/salaried workers outside agricultural with social security had declined between 1999-2000 and 2009-10. Indian society was also characterised by low social security coverage which attracted the notice NCEUS.

19. He, in his presentation, showed how both Central Government and State Governments had initiated number of social protection programmes covering many sectors including health, education, employment and skills, housing and pensions not able to favourably impact the life of the common people. The ambit of these programmes had expanded since mid-1990. Unfortunately, with the exception NREGA and NFSA(National Food

Security Act), those programmes were not entitlement based and excepting the programmes, such as, Sarva Siksha Abhiyan (SSA) and NRHM (National Rural Health Mission) which were targeted “below poverty” line households/individuals. 19. He then presented the expenditure incurred on SPF programmes by the Central Government as a percentage of GDP as well as expenditure by the State Governments, as percent on GDP, to show that the combined expenditure of the centre and the States in 1995-96 in specified sectors, like, elementary education, health and family welfare, housing labour and labour welfare, social security welfare, rural development was 4.42% of GDP which had risen to 5.25% in 2010-2011.

20. He emphasised on the key dimensions of a social protection floor and analysed the actions taken by the government both at the centre and the states in India in securing SPF. Firstly, the Right to Education Act, 2009 provided for specific entitlement to free schooling for children up to the age of 14 and to mid-day meal programme related to ICDS. Secondly, for employment, under MGNREGA, 100 days of unskilled labour was guaranteed on demand to every household within 15 days of demand and ordinarily within a distance of 5 km. Thirdly, social pension was being provided under NSAP(National Social Assistance Programme) to the old aged persons, widows, separated/divorced, single women. This has now been augmented with ABPY (Atal Behari Pension Yojana) offering contributory social insurance opportunities and financial inclusion. Fourthly, on the health sector, he said that government had introduced

national health mission in 2002 and then in 2017 it has announced national health policy for universal health coverage for all citizens. It is proposed to institute a national health protection scheme for the poor and has taken some other initiatives to fulfil this objective. Fifthly, on food security front for which National Food Security Act had been passed in 2005, he said that subsidised cereals up to 75% of the rural population and 50% of the urban population were being given. The entitlement, quantity of cereals and pulses would be higher for destitute families (AAY). Lastly, in the housing sector, the government proposed housing for all by 2020.

21. Prof. Srivastava then presented his model of SPF architecture for our country following UN framework of guarantees. He presented an estimate of financial cost of the proposed SPF. For resource mobilisation for his suggested model, his argument was that additional finance required for the 12th plan would be restricted to 2.26% of GDP which would go up to 4.37% in the next plan period. For resource mobilisation, his suggestion was to widen and deepen the tax base and to review tax rates and exemptions. He also called for better tax administration and tax compliance. He was of the view that it was necessary to increase the tax/GDP ratio to achieve the target of resource mobilisation. He believed that recent measures to expand the direct tax base and rationalisation of indirect taxes through GST would increase tax/GDP ratio. He concluded by saying that necessary physical space for instituting a SPF was “feasible provided the government takes measures to increase the tax/GDP ratio,

as well as other measures to get down incentives and subsidies which are directed towards the rich and/or have a weak social and economic rational.”

22. The following Technical Session III was devoted to taking an overview of unemployment insurance scheme in other countries presented by Dr. M. Raju, National Coordinator, SSAI. The chairperson for the session was Dr. N. Vyas, Treasurer, SSAI and Shri Anil Kariwala, SSAI, Kolkata Chapter as resource person.

23. Dr. Raju made a presentation a comparative picture of unemployment insurance schemes across the world and the lessons learnt from those case studies. He said that 14 countries of the world had already adopted unemployment insurance scheme. These countries are- Denmark (1907), Germany, France (1958), Canada, USA (1935), Chile (2002), Chile (1986), South Korea (1995), Mongolia (1997), Japan (1947), Vietnam (2009), Thailand (2004), Bahrain.

24. He narrated the unemployment situation in these 14 countries ranging from 10.5% in Mongolia to a low of 2% in Thailand. He then described the qualifying conditions for obtaining unemployment insurance benefit, level of benefit and duration. He then presented the contribution rates in these countries saying that in Mongolia and Argentina the contribution was about 1% and between 1% to 2% of wages in Thailand, Denmark, Japan, South Korea, 3% in Vietnam, Bahrain and Germany. The contribution rate is more than 3% in four countries like Chile, France,

USA and Canada. He presented a comparative chart of unemployment rate, contribution rate and cost of insurance as on 2010 in respect of these countries. He explained that all schemes were clubbed with employment service centres which offered job counselling, placement services and provide vocational training and skill development grants.

25. All these schemes were based on an Active Labour Market Policy(ALMP) supported by funding from employers and employees for unemployment benefit. And for employment stabilisation promotion programmes, contribution was collected mostly from the employers and the government. Severance payment provisions were not uniform across the countries, he stated. In France, USA and Canada for severance payment, collective agreement was necessary in each case, whereas in the case of Vietnam, a policy of gradual phasing out was being followed. He concluded his presentation by referring to the lessons learnt from the case studies of these countries as follows: -

- i. The programme should include temporary/seasonal workers to make it all pervasive.
- ii. Flexibility of the parameters in the time of crisis.
- iii. Reduced benefit for voluntary quitters.

26. Technical sessions IV was devoted to presentation of unemployment scheme in West Bengal. Shri Abhinav Chandra, Labour secretary, Government of West Bengal made the presentation. The session was chaired by Prof. Ravi Srivastava, JNU, New Delhi.

27. Shri Abhinav Chandra, made a detailed presentation on the various unemployment insurance measures initiated by the Government of West Bengal. He stated that the State Government had schemes for both the job-seekers and job-losers. He referred to “Yubashree” scheme of the Government of West Bengal under which an employment bank was maintained by the State Government, renewable every year and having a maximum size of one lakh person. Job seekers are entitled to Rs.1500/- assistance per month under this scheme. He also stated that job losers, workers who lose job due to lock out especially those in the jute i and tea industry are offered financial assistance under the scheme for some period. He also stated that unemployment insurance was being made available under MGNEGA (National Employment Guarantee Act), 2005 and that government had drafted rules for implementation of that Act. Under the scheme, applicant was required to apply to the programme officer or the Gram Panchayat claiming unemployment allowance. The unemployment allowance was payable at a rate of $\frac{1}{4}$ of the prevailing rate of daily wage for first 30 days during the finical year and at a rate equal to $\frac{1}{2}$ of the wage for remaining part of the year. He then referred to the latest initiative of the State Government in floating Samajik Surakshya Yojana attracting the unorganised workers both in the urban and rural areas. Under this programme, namely., SSY – 17, five social security schemes have been emerged as follows: -

- ✓ State assistance scheme of provident fund unorganised workers.

- ✓ Workers' health security scheme.
- ✓ Social security scheme for construction workers.
- ✓ West Bengal Transport workers' social security scheme.
- ✓ West Bengal Bidi workers welfare scheme.

28. The fifth technical session was devoted to presentation on Rajiv Gandhi Shramik Kalyan Yojana by Shri Arun Kumar, Insurance Commissioner. Shri BN Som was in the chair. Shri Som while introducing the speaker and the subject matter of the presentation said that ESIC had pioneered in introducing the concept of unemployment insurance amongst the workers in our country. The unique character of the scheme was that neither the workers nor the employers were required to make separate contribution for coverage under the Scheme, called, Rajiv Gandhi Shramik Kalyan Yojana(RGSKY). The scheme had lot of potentials to offer succour to the needy workers and, therefore, it would be worthwhile to have a detailed discussion on the strong points and weak points of the scheme for its wider application.

29. Shri Arun Kumar, in his presentation, gave an account of the origin of the scheme with effect from 1st April 2005 for the insured persons. Objective of the scheme was to protect the workers who became involuntarily unemployed due to closure of factory/establishment retrenchment or permanent disability arising out of non-employment injury. He said that the kind of unemployment coverage under the scheme were firstly for retrenchment as defined in the Industrial Disputes Act, 1947, closure of factory/establishment in terms of Industrial Disputes

Act, 1947 and permanent invalidity not less than 50% arising out of non-employment injury. Under the scheme, the applicant should be a person having contributed for two years prior to loss of employment. However, the period of service need not be continuous with one employer for claiming the allowance. There would be one month waiting period after the retrenchment before the employee would be eligible to draw benefit of the scheme. The scheme was not available under the following circumstances:

- a) During lock out.
- b) During lay off/temporary closure of factory.
- c) Strike resorted to by the employees.
- d) Convicted under Section 84 of the ESI Act.
- e) Dismissal, termination under disciplinary action and lastly on death.

30. Shri Kumar stated that benefits of the scheme was available for 24 months during the entire insurance employment of the IP and that it was available in part of not less than one month spell at one go. He presented statistical data of cases processed under the scheme and the amount of displacement benefit made for three years from 2013-14 to 2015-16. From the statistics, it revealed that the number of cases settled were maximum of 2434 during 2014-15 amounting to Rs.4.8 crore.

31. Shri B.N Som, Chairman, while concluding the session observed that it was apparent that the scheme had not rendered benefits to the multitude of workers as the statistics on the subject would show. The

reason for low coverage of beneficiaries and meagre payment out of the fund needed to be looked into. Apparently, it appeared that the eligibility conditions of the scheme made it dependent on the provisions of Industrial Disputes Act, 1947 which called for a re-examination. It was felt that the provisions of Industrial Disputes Act might be delinked from the operation of the scheme to make unemployment insurance vibrant and of real value to the workers.

32. Technical Session VI was chaired by Dr. Praveen Sinha. In this session HDFC Ergo made presentation on its employment insurance scheme in operation. Ms. Nandini Sarkar SSAI and Shri Chinmoy Bose, Addl. Commissioner, ESIC WB, were resource persons.

33. Shri Sibesh Sen, Senior Manager HDFC Ergo, made a presentation on the product run by them. In his presentation, Sen gave an over view of the market share and financial structure of the company. Shri Sen stated that the scheme run by his Company related to job loss insurance and it was available only through banks and financial institutions. In short, those home buyers who arranged home loan from the bank or financial institutions, a part of their loan would be covered under an insurance policy. It was offered where job was lost due to accident or specified illness. In such cases, some of the loan EMI was disbursed limited to three EMI This facility was available for salaried persons only. Long term policy was limited to five years. Overall coverage of the scheme, he described, as follows: -

- Fire and allied perils up to sanction loan amount of housing loan.
- Burglary liability up to 40% of loan sanctioned.
- Major medical illness - up to outstanding credit amount.
- Personal accident for up to outstanding credit amount.
- Loss of job – for up to three EMI.

33.1 The scheme did not include temporary termination/dismissal/resignation/ retrenchment less than 30 days.

33.2 In conclusion Mr. Sen made the following suggestion.

33.3 (i) The Origination was considering to allow a percentage of last drawn salary instead of EMI as insurance cover.

(ii) Protection for 6/9/12 months dependent upon person's requirement.

34. At the end, he stated that the product was being run at low key due to limited awareness of the basics and limited distribution platforms. He suggested that coverage could be enlarged by introducing group policy based on monthly contribution.

35. On the second day of the seminar in Technical Session I, under the Chairmanship of Prof. Ravi Srivastava with Mr. Marcus Ruck and Dr. L.D. Mishra as Co-Chairperson, a panel discussion was held with the trade union representatives to elicit their views on the suitability/ expediency of introducing unemployment insurance scheme for the working class. Ms. Nandini Sarkar, Dr. Praveen Sinha, Dr. Pyarelal and Shri Sushobhan Sarkar were resource persons on the occasion.

36. The panel discussion session was preceded by an open session addressed by Shri Ramen Pandey, President, SSAI, Kolkata Chapter and President INTUC, West Bengal followed by presidential address of Dr. L.D. Mishra, retired Secretary, Government of India and eminent social security expert on the relevance of unemployed insurance for the working population.

37. In the panel discussion, the following trade unions participated: -

- i. INTUC
- ii. CITU
- iii. BMS
- iv. UTUC
- v. TUCC
- vi. AICTU

38. INTUC representative supported the theme for introduction of unemployment insurance as a part of the labour policy of the government stating that the issue was most relevant to the cause of the working class calling for a whole range discussion for its introduction. After presenting the existing working condition of the workers, he remarked that the situation as was prevailing in the market called for introduction of an unemployment insurance scheme. He felt that the workers who were the builders of the nation should not be deprived of the fruits of their labour by denying them the benefit of insurance scheme as a social protection measure when not in service. The view of the INTUC was that if an

insurance scheme was introduced it could be a contributory one in which all the three shareholders i.e. employer, employee and the government, should contribute for the welfare of the working class.

39. The representative of the BMS spoke in favour of the introduction of unemployed insurance scheme after depicting the miseries and sufferings of the tea garden workers. He stated that the tea garden workers were the worst sufferers of injustice and exploitation. Their monthly wage was thoroughly inadequate; over and above that, if the tea gardens were closed for months together that added to the miseries and sufferings of the workers. He also referred to the EDLI Fund of the EPFO to be utilised for the funding unemployment insurance scheme. And for this to happen, he called upon all to mount pressure on the government. BMS was of the view it was the liability of the government to protect the industry as well as the jobs and therefore the government could not stay away from using insurance cover for protecting the workers. What was true of the tea garden workers was also true in respect of workers in other industries who suffered the prospect of lay off, lock out, closure, he said. He then concluded to say that the policy makers should provide a social protection scheme to save the workers from falling into poverty.

40. Representative from AICCTU also spoke in favour of the unemployment insurance scheme. In addition, he underpinned the sufferings of the Nepalese workers who were denied the benefits of PF/pension due to the fact they did not have Aadhar card to prove their identity.

41. Shri Asish Pandey advocated the following policy initiatives in the interest of the working class: -

- Policy maker should consider combining social security schemes to save on delivery cost.
- For regulation of employment, the state government should set up a support department to address the problems faced by those who were unemployed or seeking jobs.
- The concerned department should be authorised to identify the unemployed persons.

42. Shri N. Vyas held that a support system should be set up for managing the problem of unemployed.

43. Dr. Pyarelal, Director, BIES, observed that the interest of the migrant workers should be separately taken care of to ensure that they did not suffer due to migratory nature of their employment. He felt that it was the duty of the employers to set up unemployed insurance scheme for the workers.

44. Ms. Nandini Sarkar, Director C Quel, felt that the need to propagate the idea of unemployment insurance could not be over emphasised. She spoke of the contribution of her company in creating awareness about the employee-related welfare schemes to protect their interest. She was of the view that without creating interest of the employers and the employees on the issue of social cover for the rainy days, it was well-nigh impossible to reach the target.

45. Shri Ashok Ghose of UTUC while speaking on the subject agreed with the motion for establishing unemployment insurance across the country because that alone could ensure the realisation of the Constitutional right to work. He called upon the policy makers to set up a mechanism for identification of unemployed workers and registration of those workers in a hassle-free manner. He suggested budgetary provision to be made for the welfare of the unorganised workers for which he recommended 5% of GDP to be allotted. He also called upon the government for proper utilisation of the fund under the Building and Other Construction Workers' Act, 1996. He made a passionate plea to strengthen the rural primary health system by appointment of more number of ASHA workers and proper distribution of midday meal covering the school children. He also recommended that ESIC cover should be extended to all the districts of the country and there should be 24 x 7 cover under that scheme. He recommended that threshold of cover under EPF should be brought down and the migrant workers should be included. He also appealed to the policy makers for indexation of pension. Observing that 7% of workers who were in the formal sector and 93% in the informal sector, the question he raised was whether it was possible to extend the benefit of employment insurance scheme to the workers in the unorganised sector. He also stated that it was necessary to reform the Rajiv Gandhi Shramik Kalyan Yojana for better utilisation of the fund under the scheme for the benefit of the workers.

46. CITU representatives, namely, Shri Debanjan Chakraborty and Prasanta Nandi Chowdhury spoke in support of the motion. Elaborating on the conditions of labour in the market and the unemployment scenario, they had observed that unemployment insurance was a serious issue worthy of discussion at all levels. Discussing the provision of Rajiv Gandhi Shramik Kalyan Yojana and its effect, they felt that RGSKY should be revised by cutting down the negative conditions of eligibility which denied benefit of the scheme to the workers in case of temporary closure, lock out and so on. In that view of the matter, they felt that the Scheme had failed to achieve its noble objectives. They were of the view that RGSKY, unless it came to the real and tangible help of the workers for involuntary loss of employment, the scheme was of no use for the workers. Reiterating their demand for putting minimum wage at Rs. 18,000/- per month for the Government service, they emphasised that 50% of that should be the minimum wage for the unorganised workers.

47. Mr. Ram Prasad representing TUCC while supporting the view point of CITU said that the RGSKY should include workers who got employment for two/three months also.

48. In the concluding session of the seminar, Dr Pravin Sinha while thanking all and sundry for their valuable contribution in developing a united voice in favour of unemployment insurance as a social protection tool and for carrying out reform of the RGSKY to enlarge its scope and benefits, he informed the gathering that as a logical fall out of the deliberations in this seminar, the matter would be further discussed with

the shareholders in Bengaluru as early as possible and then take up the matter with the Labour Minister, Government of India taking all the trade unions and the Chambers of Commerce into confidence.

-Compiled by: B N Som
Secretary General