

# **Social Protection in India: Issues and Challenges**

by  
**Alakh N. Sharma**  
**Diksha Arora**



Institute for Human Development  
NIDM Building, 3<sup>rd</sup> Floor, IP Estate  
Mahatma Gandhi Marg  
New Delhi – 110002

## Social Protection

The trickledown effect of economic growth to the poorer sections of the society did not successfully lead to poverty eradication.

Poverty persists mainly due to the inability of some groups of people to participate in the process of economic growth.

Philip and Rayhan (2004): the poor are more vulnerable than any other group.

Vulnerability arises from the risks and insecurity caused by life cycle changes (death of an earning member), illness or health problems, natural calamities and the process of globalization and structural adjustments in the economy, global warming and increasingly flexible labour relations can lead to increased incidence of shocks.

Social protection system helps to absorb the shocks and minimize its adverse impact on the vulnerable and poor and helps to make growth more pro-poor.

“Social security systems contribute not only to human security, dignity, equity and social justice, but also provide a foundation for political inclusion, empowerment and the development of democracy.” (ILO)

## Scope of Social Protection (SP) in India

- Defined in wider sense covering both absolute deprivation and contingencies
- Promotional vs. Protective (contingent) Measures
- Both important in India because of
  - high incidence of poverty and vulnerability (77%)
  - 92% workers (including rural) informal, majority own account workers and self-employed
  - As a whole high level of livelihood insecurity
- But India has relied more on promotional measures (mainly social assistance)
- Protective measures mainly available to formal workers (8% of the workforce)
- 92% informal workers hardly covered (only 6% in 2005)

## Promotional SP Measures

- Large numbers of promotional measures initiated since 1970s
- Food and nutrition programmes
  - Public Distribution System (TDPS)
  - Mid-day Meals
  - Integrated Child Development Scheme (ICDS)
- Housing Programme (IAY) for rural areas
- Self employment programmes
  - Swarna Jayanti Grameen Swarojgar Yojana (SGSY)
  - Self Help Groups
  - Prime Minister Employment Generation Programme (PMEGP)
  - Swarna Jayanti Shahri Rojgar Yojana (SJSRY)
- Wage employment programmes
  - Several programmes initiated since 1970s
  - Now all merged into NREGS for rural areas
- Two most important promotional programmes at present
  - PDS
  - NREGS

# Targeted PDS

- Four major problems :
  - High inclusion and exclusion errors
  - Non-viability of fair price shops
  - Not fulfilling price stabilization objectives
  - leakages (38% of rice and wheat)
- Many advocate reverting back to universal PDS
- Several measures being taken for improvement
- Are food stamps or cash transfers an alternative to PDS?

# National Rural Employment Guarantee Act (NREGA)

- The most important wage employment programme is National Rural Employment Guarantee Act (NREGA) now called MGNREGA.
- Objective is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment to every household as a matter of right.
- Probably the largest ever public employment programme
- Demand for such a universal programme for urban workers is being demanded. However, government is reluctant due to complexities.

# Social Protection for Informal Workers

- Dualism in Indian economy: Formal and informal
- India has about 456 million workers in 2004-05; around 92% are informal workers.
- Suffer from two sets of problems: (a) Capability Deprivation; (b) Adversity; no fallback mechanism to meet contingencies such as ill health, accident, death and old age.
- To some extent, promotional measures have helped in enhancing capabilities and livelihoods.
- But hardly any protective measure till recently.
- Welfare Boards, for specific occupational groups (such as beedi workers etc.)
- Boards set up by both state and central governments; Kerala and Tamil Nadu are the leading states
- As a whole only 6% workers were covered till 2005, but some measures initiated in recent years like RSBY. Steps are underway for effective PDS and a proposed food security act.

# Old Age Pensions

- In India, the share of old age population is likely to increase from 6.9% in 2001 to 12.4% in 2026 (from 71 million to 173 million during this period).
- National Old Age Pension scheme (NOAPS) introduced in 1995. Rs.75 per month was provided to persons 65 years and above among destitute
- Amount enhanced to Rs.200 from 2006-07 and eligibility among BPL population.
- No. of beneficiaries increased from 6.7 million in 2002-03 to 15.5 million in 2008-09
- Renamed as Indira Gandhi NOAPS since 2009; two more pensions schemes for widows and disabled introduced.
- Several State Governments have introduced own pension schemes, apart from Central Government.
- Scheme has performed well. But major problems – low coverage and meager amount along with infrequent payments



## **Unorganised Sector Social Security Act (USSSA) 2008**

- A major milestone – first attempt to address SP needs of informal workers
- Covers both self-employed and wage workers
- Provides for formulation of schemes by central government on life and disability, health and maternity benefits, old age protection etc.
- Also provides for formulation of schemes relating to PF, employment enjoy benefits, housing, educational schemes for children, skill upgradation, old age homes, etc. by state governments.
- Setting up of National Social Security Board and Workers Facilitation Centres

## USSSA Contd

- Schemes included in the Act
  - Indira Gandhi National Old Age and Pensions Scheme (NOAPS)
  - National Family Benefit Scheme
  - Janam Suraksha Yojana (Mother's Protection Scheme)
  - Handloom weavers' comprehensive scheme
  - Pension to Master Craft men
  - National Scheme for welfare of fishermen
  - Janashree Bima Yojana (Life Insurance for common people)
  - Rashtriya Swasthya Bima Yojana (RSBY) (National Health Insurance Scheme)
- Steps taken to include more schemes
- NOAPS and RSBY most important

# Rastriya Swasthya Bima Yojana (RSBY)

- All poor workers and their families to be covered.
- Scheme funded by central and state governments: 75:25 ratio
- Provides cashless insurance cover upto Rs. 30,000 per month (hospitalisation benefit)
- Migrant workers to be covered through smart card.
- All pre-existing diseases are covered
- Response very good – about 100 million covered so far

## **Highlights from the survey data in Delhi and Ranchi (2010)**

This survey was undertaken to measure the informality, vulnerability, poverty, status of migrants and social protection mechanisms of people in Delhi and Ranchi.

The sample covers 3000 households: 2000 households in Delhi and 1000 households in Ranchi

The different aspects of employment of workers in both the cities helps to calculate the extent of informality in labour market in both the cities and highlights the insecurity and vulnerability faced by workers and their households.

The survey also captures the extent of social protection coverage in Delhi and Ranchi. It brings out the gaps in social security measures provided by the employers, absence of social protection schemes in informal sector, inefficiency of PDS provided by the government and inadequate housing and sanitation system in cities.

## **Demographic Features of the population in Delhi and Ranchi**

**Age Distribution of Population by Sex for Delhi and Ranchi**

Age Group	Delhi			Ranchi		
	Male	Female	Total	Male	Female	Total
Below 5 years	8.7	7.6	8.2	11.7	9.1	10.4
6 to 14 years	22.3	22.4	22.3	19.2	22.0	20.6
15 to 25 years	24.5	23.4	24.0	25.0	26.6	25.8
26 to 60 years	42.0	43.9	42.8	39.8	37.9	38.9
61 years and above	2.5	2.8	2.6	4.3	4.4	4.4

- Sex ratio in Delhi is lower at 800 and higher at 971 in Ranchi
- Approximately 20% population is between 6-14 years, 25% between 15-25 years and about 40% between 26-60 years
- 23% males and 32.6 % females have no formal education, Ranchi has a much higher proportion of those with no formal education
- 37% males and 31% females have up till secondary level education
- 12.5% males and 8.9 % females have up till higher secondary education
- 9.4% males and 8.3% females have education up till graduation
- Delhi has slightly higher percentages for all educational levels, except technical and vocational training where, Ranchi has a higher proportion

## Characteristics of Workers in the population

### Work Participation Rate for Delhi and Ranchi

	Delhi	Ranchi	All
Work Participation Rate	45%	45%	45%
Female Work Participation Rate	11%	18%	12%
Male Work Participation Rate	72%	70%	72%

### Workers by Employment Status

Work status	Delhi	Ranchi	Total
Own account worker	27.0	21.4	26.6
Employer	0.8	1.3	0.9
Unpaid family worker	1.0	5.0	1.3
Regular salaried/wage worker	50.6	44.8	50.2
Casual wage labourer	20.6	27.5	21.1

## Distribution of Formal and Informal sector

### Definition of Informal sector: ILO Definition

All the enterprises in the public sector and enterprises in private sector with 10 or more number of workers are in “Formal Sector” and rest all in “Informal Sector”

### Distribution of Workers by Informal and Formal sector

		Informal sector	Formal sector
Delhi	Male	55.8	44.2
	Female	38.3	61.7
	Total	54.3	45.7
Ranchi	Male	64.9	35.1
	Female	64.8	35.2
	Total	64.9	35.1
Total	Male	56.4	43.6
	Female	42.2	57.8
	Total	55.1	44.9

- More than half of total workers are in informal sector. This % is higher for Ranchi.
- The % of female workers in informal sector smaller than that of male workers in Delhi, however it is same in case of Ranchi

## The composition of informal sector

### *Distribution of workers in formal and informal sector by their employment status*

Work status	Informal sector	Formal sector
Own account worker	54.0	
Employer	0.5	1.5
Unpaid family worker	2.6	0.4
Regular salaried worker	23.8	77.2
Casual wage labourer	19.1	20.9

- About 3/4<sup>th</sup> of informal sector comprises of own account workers and casual wage workers while regular salaried workers comprise more than two-thirds of formal sector



## Coverage of social protection in formal and informal sector

Social protection comprises of any of the following benefits:  
Gratuity, Provident Fund and Pension

### *Coverage of Social Protection by sector of Employment*

	Social Protection					
	Delhi		Ranchi		Total	
	Yes	No	Yes	No	Yes	No
Informal sector	2.8	97.2	0.8	99.2	2.6	97.4
Formal sector	34.7	65.3	36.8	63.2	34.8	65.2
Total	23.9	76.1	19.1	80.9	23.6	76.4

- Of the total workers, less than one-quarter receive some form of Social Protection.
- More than 97% of workers in Informal sector and 65% of workers in the formal sector do not have any form of SP.

## Some facts about informal workers

### Informal workers include:

•All workers in the informal sector and workers in the formal sector without any of the following social security benefit:

1. Gratuity
2. Provident fund
3. Pension

### The incidence of informal employment:

		Informal Workers	Formal Workers
Delhi	Male	86.5	13.5
	Female	75.7	24.3
	Total	85.3	14.7
Ranchi	Male	86.1	13.9
	Female	92.8	7.2
	Total	87.6	12.4
All	Male	86.5	13.5
	Female	78.0	22.0
	Total	85.5	14.5

- An overwhelming 85.5% of the total workers are informal workers.
- Lesser female workers in informal employment in Delhi, but in case of Ranchi, much larger (about 93% of the female workers are informal workers)

## Educational Attainment of Informal and Formal Workers

	Delhi		Ranchi	
	Informal Workers	Formal Workers	Informal Workers	Formal Workers
Mean years of schooling	7.1	11.1	6.5	11.0
Percentage of workers with higher education	9.6	53.4	8.9	43.5
Percentage of workers with technical or vocational education	2.3	14.7	5.3	23.9

- A sharp contrast between proportion of formal and informal workers with respect to mean years of schooling, higher education and technical education

## % Distribution of formal and informal workers by their employment status

Sex wise Distribution of formal and informal workers by the their employment status						
Work status	Informal Workers			Formal Workers		
	Male	Female	Total	Male	Female	Total
Own account worker	32.9	17.6	31.2			
Employer	0.3	0.1	0.3	4.7	1.5	4.1
Unpaid family worker	1.1	4.7	1.5	1.5		1.2
Regular salaried/wage work	39.7	63.0	42.2	93.7	98.3	94.6
Casual wage labourer	26.0	14.6	24.7	0.1	0.2	0.1

- A very high % of female workers are regular salaried
- A very low proportion of self employed female workers as compared to that of male workers
- Among the female informal workers, more than 60% are regular salaried workers while for male informal workers this figure is less than 40%

## Income insecurity

	Average Monthly Income of Informal and formal Workers					
	Informal Workers			Formal Workers		
Sex	Average Monthly Income			Average Monthly Income		
	Delhi	Ranchi	Total	Delhi	Ranchi	Total
Male	6175	4198	6054	18082	13893	18069
Female	3886	2497	3699	17295	14370	17266

- The average monthly income of informal workers are just 1/3<sup>rd</sup> of the average monthly income of formal workers
- A wide disparity in incomes of male and female informal workers whereas this disparity hardly exists for formal workers.

About 17% of the informal workers were not getting wages less than Rs 100 per day.

## Income insecurity (contd.)

### Monthly Earnings of the informal workers

Monthly Earnings of the workers (Rs.)	Percentage of Informal workers		
	Delhi	Ranchi	Total
Less than Rs 2500	15.7	33.1	16.9
Rs 2500 to 3500	28.2	31.3	28.4
Rs 3500 to 5000	28.5	22.9	28.2
Rs 5000 to 10000	18.1	9.8	17.6
Rs 10000 to 15000	3.6	1.4	3.4
More than Rs 15000	5.9	1.5	5.6

- A huge concentration of informal workers in the lower income brackets, 72.4 % in Delhi and 87.3 % in Ranchi earn less than Rs. 5000 per month
- On comparing the monthly earnings of male and female informal workers, the gender wage gap is quite evident.
- Within the informal workers and formal workers, there is a higher proportion of workers in lower income brackets in Ranchi

## Income insecurity (contd.)

### Annual per capita household income of the informal workers

Annual per capita income of the household (Rs.)	Percentage of Informal workers		
	Delhi	Ranchi	Total
Less than Rs 10000	22.7	31.3	23.4
Rs 10000 to 15000	23.4	34.7	24.3
Rs 15000 to 25000	23.7	21.7	23.6
Rs 25000 to 40000	14.7	8.5	14.2
Rs 40000 to 60000	8.2	2.4	7.8
More than Rs 60000	7.2	1.4	6.8

A similar pattern can be seen in the annual per capita household income of the informal workers, almost 50% households have less than Rs. 15, 000 annual per capita income

## Income insecurity contd.

### Asset Ownership of Informal workers

Ownership of Asset (value)	Percentage of Informal workers		
	Delhi	Ranchi	Total
Rs 0 – 3800	19.0	29.9	19.8
Rs 3800 – 7500	22.4	24.4	22.5
Rs 7500 – 13500	22.8	19.3	22.5
Rs 13500 – 43000	19.7	16.8	19.5
Rs 43000 and above	16.1	9.7	15.7

- There is considerable difference in asset ownership between Delhi and Ranchi



# Labour market insecurity

## *Informal workers by type of employment contract*

**Distribution of informal workers by types of contract**

Type of contract	Percentage of Informal workers		
	Delhi	Ranchi	Total
Open ended regular contract	11.6	1.7	10.8
Long term contract	3.4	1.1	3.2
Short term or work specific contract	11.6	2.3	10.9
No written contract	73.5	94.9	75.0

More than 70% of informal workers in Delhi and about 94% informal workers in Ranchi do not have a written contract

# Labour market insecurity

## *Informal workers by working conditions*

### Average number of days worked by Informal workers

No. of days worked in a week	Percentage of Informal workers		
	Delhi	Ranchi	Total
one to five days	8.0	22.6	9.1
six days	60.3	43.3	59.0
seven days	31.7	34.1	31.9

**Overall, the informal workers are spending more number of hours and days working**

### Average number of hours worked by Informal workers

Average no. of hours worked in a day	Percentage of Informal workers		
	Delhi	Ranchi	Total
0 to 8 hours	42.5	74.2	44.9
9 to 10 hours	43.3	14.7	41.2
10 to 14 hours	14.2	11.1	13.9

# Vulnerable Occupations

*Occupations with more than 40% of the workers in the lowest 3 income quintiles*

Distribution of workers by their occupations in different income quintiles

	Q1+Q2+Q3	Q4	Q5
Occupations	Less than Rs 5000	Rs 5000 to 9000	Rs 9000 and above
domestic workers, cleaners, washerman, caretakers, gardener	89.9	9.4	0.7
street vendors, cobbler, other service providing on streets	67.8	27.4	4.8
construction workers, masons, plumbers, painters, welders	79.6	19.1	1.3
sweepers, sanitation workers	55.6	25.8	18.6
home based workers, artisans, tailors, blacksmiths	61.6	28.5	9.9
transport workers, drivers, conductors, rickshaw pullers	64.1	26.6	9.3
shop workers, assistants, peons, delivery boy, waiters	68.7	23.4	7.9
electricians, mechanics, fitters, repairers	58.6	21.5	20.0
small shop keepers, traders	31.5	22.9	45.6
clerks, defence workers, police, constables	13.4	21.8	64.7
managers, operators, officers, engineers	10.9	21.3	67.7
guards, loaders, coolie and packers	74.0	20.3	5.7
agriculture related workers and cultivators	90.4	9.6	
service providers, barbers, carpenter, priest, cook	59.7	26.7	13.6

31% workers-secure occupations

46% workers-Less vulnerable occupations.

23% workers-Extremely vulnerable occupations.

	Secure occupations
	Less vulnerable occupations
	Extremely vulnerable Occupations

## Vulnerable Occupations

Distribution of Informal workers by their occupations in different income quintiles

	Q1+Q2+Q3	Q4	Q5
Occupations	Less than Rs 5000	Rs 5000 to 9000	Rs 9000 and above
domestic wrokers, cleaners, washerman, caretakers, gardener	90.6	9.1	0.3
street vendors, cobbler, other service providing on streets	67.8	27.4	4.8
construction workers, masons, plumbers, painters, welders	79.6	19.1	1.3
sweepers, sanitation workers	76.1	13.9	10.0
home based workers, artisans, tailors, blacksmiths	62.6	28.4	9.0
transport workers, drivers, conductors, rickshaw pullers	67.5	27.6	4.9
shop workers, assistants, peons, delivery boy, waiters	71.8	23.8	4.4
electricians, mechanics, fitters, repairers	64.3	23.9	11.8
small shop keepers, traders	31.9	23.1	45.0
clerks, defence workers, police, constables	46.9	33.9	19.2
managers, operators, officers, engineers	22.9	41.3	35.8
guards, loaders, coolie and packers	79.2	17.7	3.0
agriculture related workers and cultivators	90.4	9.6	
service providers, barbers, carpentar, priest, cook	61.7	29.0	9.3

- A high proportion of the informal workers are in the vulnerable occupations
- Some Less vulnerable occupations become extremely vulnerable occupations for informal workers
- For informal employment more occupations have more than 60% of the workers in the bottom 3 quintiles.

## Social Exclusion

**Percentage of informal worker households by their social groups**

	% of informal workers			
	Caste			
	ST	SC	OBC	General
City				
Delhi	89.1	91.7	90.7	72.1
Ranchi	81.0	79.7	86.9	77.1
All	83.6	91.5	90.3	72.3

Discrimination in labour markets: the proportion of informal workers is higher for ST, SC And OBC social groups as compared to general category.

The percentage of informal workers in socially discriminated groups is relatively lesser In Ranchi as compared to Delhi.

## Health Insecurity

	<b>Informal Workers HH</b>	<b>Formal Workers HH</b>	
Mean Duration of Sickness (days)	12.7	12.5	
Mean Health expenditure	3765.7	15205.9	
Mean Expenses covered by health insurance/Govt. scheme (Rs.)	6420.0	22735.7	
Average Other expenses from your pocket (Rs.)	1679.0	2523.6	
<b>Treated by</b>	<b>Informal Workers HH</b>	<b>Formal Workers HH</b>	<b>Total</b>
Government Hospital	18.0	9.8	16.9
Government and private both	20.8	25.2	21.3
Private medical practitioner	54.0	63.6	55.2
Traditional (unani, hakim,local vaidya etc.)	7.3	1.4	6.5
<b>Income quintiles</b>	<b>Mean health expenditure (Rs.)</b>		
	<b>Informal Workers HH</b>	<b>Formal Workers HH</b>	
Q1+Q2+Q3	2948.8	4106.3	
Q4	4339.4	2539.3	
Q5	7649.1	18346.9	

- 30% of the households have reported one or more persons falling sick
- Mean expenditure on health is very low amongst the informal worker households
- The mean expenditure covered by health insurance for formal worker households is about 3 times more than the expenditure covered by insurance for informal worker households.

## Housing and Basic Amenities Insecurity

**Distribution by informal worker HH by their type of housing**

Type of house	Delhi		Ranchi	
	Informal Workers HH	Formal Workers HH	Informal Workers HH	Formal Workers HH
Katcha House	4.4	1.5	29.4	7.8
Semi pucca	38.9	10.0	49.6	32.1
Pucca	56.6	88.5	21.0	60.0

Within the informal worker HH, those living in Katcha house is higher.

Overall, the proportion of HH living in Katcha house is greater in Ranchi

**Distribution by informal worker HH by no. of rooms in their house**

No. of rooms in the house	Delhi		Ranchi	
	Informal Workers HH	Formal Workers HH	Informal Workers HH	Formal Workers HH
1 room	53.4	15.5	27.8	7.2
2 rooms	31.1	36.0	39.5	28.3
3 rooms	9.2	26.2	15.7	33.3
4 rooms and more	6.3	22.3	17.0	31.2

In Delhi, about 50% of the informal worker HHs live in a house with only one room

The situation is little better in Delhi. However, in both cities informal worker HHs are worse off

## Housing Insecurity and Basic Amenities (contd.)

### Distribution by informal worker HH by kind of toilet facility

Toilet facility	Delhi		Ranchi	
	Informal Workers HH	Formal Workers HH	Informal Workers HH	Formal Workers HH
Exclusively used by household	34.7	82.2	27.7	68.4
Shared by HH with other HHs in the house	18.1	8.1	37.8	23.8
No toilet within the house	47.2	9.7	34.5	7.8

	Delhi		Ranchi	
	Informal Workers HH	Formal Workers HH	Informal Workers HH	Formal Workers HH
% of HH with Drainage facility	67.8	90.7	63.9	75.5
% of HH with Electricity	90.8	97.4	84.1	96.4



## Own provision for Social Protection

In absence of employer or state provision for social protection, HHs opt for own provisioning mechanisms

Percentage of people in Informal worker HH with their own provisions for social protection

	Delhi	Ranchi	All
% of informal worker HH with Deposit link insurance	5.2	2.4	5.0
% of informal worker HH with Life insurance	26.8	15.7	26.0
% of informal worker HH with Health insurance	9.5	0.8	8.8

- Own provision is not sufficient
- Very few Informal worker HHs have sufficient social protection schemes

## Own provision for Social Protection

% of HH with Deposit Linked Insurance Scheme within each income quintile

Deposit Linked Insurance Scheme	Annual Income of the household			
	Q1+Q2+Q3	Q4	Q5	Total
Informal Worker Households	2.3	2.5	11.2	4.4
Formal Worker Households	7.4	9.5	20.5	18.7

% of HH with Life Insurance Scheme within each income quintile

Life Insurance Scheme	Annual Income of the household			
	Q1+Q2+Q3	Q4	Q5	Total
Informal Worker Households	15.5	22.0	42.1	23.2
Formal Worker Households	32.4	57.1	68.3	64.4

% of HH with Health Insurance Scheme within each income quintile

Health Insurance Scheme	Annual Income of the household			
	Q1+Q2+Q3	Q4	Q5	Total
Informal Worker Households	2.8	5.2	16.6	6.6
Formal Worker Households	2.9	19.0	31.4	28.1

- Income plays an important role and increases the probability of having social security schemes
- Education too plays a role in increasing the chances of owning social security schemes.

## Promotional measure of Social protection from the State

### Distribution of informal worker HH by the type of ration card

Type of ration card	Delhi	Ranchi
Antodaya card	3.5	8.2
BPL card	34.3	16.4
APL card	23.2	13.0
No card	39.0	62.4

Overall, 50% of households without a card suggest poor management and functioning of PDS.

### Distribution by informal worker HH by the quantity of food grains purchased from PDS

Qty of foodgrains bought from PDS		
	Delhi	Ranchi
None	51.5	75.4
1 to 10 KG	0.7	0.4
11 to 15 KG	3.9	0.4
16 to 25 KG	12.2	1.2
26 KG and more	31.8	22.6

Amongst the Antodaya and BPL card holders, households have not been able to buy food grains from PDS.

## **Needs and Gaps in Social Protection Provision**

### ***Social Protection Index***

Social Protection Index gives a value (0 to 1) that determines the coverage of social protection for individuals. The mean value of the index for each city – Delhi and Ranchi gives social protection coverage throughout the city.

This index is an unweighted average of employer's benefit index, state benefit index, private benefit index and private monthly income

### ***Perceptions of Individuals***

The perceptions from HH data are helpful in determining the needs and gaps in Social protection provisioning

## Needs and Gaps in Social Protection Provision

### *Mean Value of Social Protection Index by work status*

Work status	Delhi		Ranchi		All	
	Male	Female	Male	Female	Male	Female
Own account worker	0.355	0.346	0.266	0.271	0.350	0.335
Employer	0.460	0.541	0.344		0.448	0.541
Unpaid family worker	0.418	0.345	0.338	0.262	0.397	0.295
Regular salaried worker	0.411	0.429	0.326	0.306	0.406	0.419
Casual wage labourer	0.287	0.273	0.241	0.243	0.283	0.264

### *Mean Value of Social Protection Index by sector of employment*

	Delhi		Ranchi		All	
	Male	Female	Male	Female	Male	Female
Informal sector	0.334	0.330	0.260	0.256	0.328	0.313
Formal Sector	0.418	0.514	0.346	0.338	0.414	0.498

### **Mean Value of Social Protection Index for informal and formal workers**

	Mean Social Protection index	
	Delhi	Ranchi
Informal workers	0.338	0.259
Formal workers	0.562	0.481

- The mean value of Social Protection Index for the whole sample is 0.343, implying a very narrow coverage. The value of index for Delhi is 0.37 and Ranchi is 0.29.
- Social protection Coverage being very poor for own account workers and casual wage labourers
- Informal sector workers as well as Informal workers observe a very low mean value of social protection index compared to formal workers
- However, the value of index is not encouraging for formal sector too.

## Needs and Gaps in Social Protection Provision

### *Mean Value of Social Protection Index by different categories of Occupations*

Occupation category	City	
	Delhi	Ranchi
Extremely vulnerable occupation	0.307	0.245
Less vulnerable Occupation	0.338	0.272
Secure occupation	0.469	0.356

### *Mean Value of Social Protection Index by category of occupations for informal and formal workers*

Occupation category	City			
	Delhi		Ranchi	
	Informal Employment	Formal Employment	Informal Employment	Formal Employment
Extremely vulnerable occupation	0.303	0.437	0.241	0.412
Less vulnerable Occupation	0.326	0.500	0.256	0.443
Secure occupation	0.404	0.589	0.293	0.503

- Mean value of social protection index - relatively lower for extremely vulnerable jobs as compared to less vulnerable occupations. Overall the coverage is very poor among these 2 categories of occupations
- Situation is worse in Ranchi
- Wide disparity between the value of index for informal and formal workers in vulnerable occupations.

## ***Perception of Individuals***

<b>Percentage of informal workers satisfied by:</b>		
<b>Income</b>	<b>Work environment</b>	<b>Weekly hours worked</b>
43.0	76.1	79.1
<b>Percentage of informal regular salaried/wage workers satisfied by:</b>		
<b>Non-wage benefits</b>	<b>Opportunity for promotion</b>	
21.4	28.6	

## **Perceptions regarding governance related Issues**

A whopping 95% of the households believe that the government has been a failure in reducing poverty

Overall about 18% of informal worker households believe that government has been successful in providing health care facilities. In Ranchi, this % is about 36%, indicating a higher level of satisfaction from government related health care services. As we go up the income level, the % of HHs believing in the success of government increases.

About 75% of the informal worker HHs believe that the government has failed in providing food grains at subsidized rates and % of this % is little lower for Ranchi as compared to Delhi

A very high 73% of informal worker HHs in Delhi as compared to 57% HHs in Ranchi believe that government has been a success in providing electricity. This point is validated by poor electrification of houses in type of housing



## **Conclusion and Policy Implications**

1. Informal workers are heterogeneous and face several types of vulnerabilities and uncertainties in livelihoods.

- Labour market insecurity including insufficient income

- Insecurity relating to shelter and basic amenities

- Insecurity relating to minimum basic needs like food and health

2. State largely failed in contingencies related social protection needs, although some measures have been recently devised

- Due to low levels of income vast majority of informal workers are not able to resort to private provisioning needed for contingencies related social protection measures

- State sponsored promotional measures of social protection (PDS, education, employment and productivity enhancement) does not reach overwhelming majority of workers

## Conclusion and Policy Implications

3. There is huge need for SP for informal workers
  - Need for some universal social minimum- income (including old age pension, health, food etc.)
  - Need for different kind of strategy for various categories of workers
  
4. Issue is centre of public policy debate
  - PDS with wide coverage as well as extending RSBY
  - Urban employment guarantee program
  - Flow of credit to own account workers and small enterprises
  - Universal registration and unique identification

THANK YOU