**16. SOCIAL SECURITY**

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| **Highlights**   * Allocation for National Social Assistance Program (NSAP) has remained unchanged at Rs. 9,500 crore in 2017-18 (BE) * Allocation *Rashtriya Swasthya Suraksha Yojana* (RSSY), renamed as National Health Protection Scheme, has declined from Rs. 1,500 crore in 2016-17 (BE) to Rs. 1,000 crore in 2017-18 (BE) * Allocation for *Aam Aadmi Bima Yojana* declined from Rs. 450 crore in 2016-17 (BE) to Rs. 350 crore in 2017-18 (BE) * Allocation for *Atal Pension Yojana* has declined from Rs. 200 crore in 2016-17 (BE) to Rs. 155 crore in 2017-18 (BE) * Overall budget for Social Security sector has declined in absolute amount in 2017-18 (BE), over 2016-17 (BE) |

There are around 43.7 crore informal workers in the country, as per the 68th round of National Sample Survey Organisation (NSSO) in 2011-12, who contribute around 52 percent of the GDP of the nation. However, this large section of the population are still not provided with adequate basic entitlements like pension, affordable health services, maternity benefits, insurance coverage etc. vis-à-vis the entitlements that are available to workers in the organised sector. Various interventions for providing social security to informal workers have been listed in table 16.1 below.

Table 16.1: Union Budget Outlays for Social Security under Various Schemes (Rs. crore)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ministry | Schemes | 2012-13 (A) | 2013-14 (A) | 2014-15 (A) | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| Labour and Employment | Creation of National Platform of Unorganized Workers and allotment of an *Aadhaar* seeded identification numbers | 0.0 | 0.0 | 0.0 | 45.3 | 144.5 | 0.5 | 100.0 |
| Social Security for unorganised Workers (RSBY)\* | 1001.7 | 887.6 | 550.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Health and Family Welfare | National Health Protection Scheme/RSSY\* | 0.0 | 0.0 | 0.0 | 0.0 | 1500.0 | 723.8 | 1000.0 |
| Rural Development | National Social Assistance Programme | 7824.8 | 9046.0 | 7086.7 | 8616.4 | 9500.0 | 9500.0 | 9500.0 |
| Finance (Dept. of Financial Services) | *Swavalamban* Scheme | 104.4 | 152.9 | 195.0 | 250.6 | 209.0 | 0.0 | 50.0 |
| Govt. contribution to *Aam Admi Bima Yojana* | 0.0 | 4.5 | 175.0 | 437.5 | 450.0 | 100.0 | 350.0 |
| *Atal* Pension *Yojana* | 0.0 | 0.0 | 0.0 | 173.0 | 200.0 | 40.0 | 155.0 |
| Interest Subsidy to LIC for Pension Plan for Senior Citizens | 99.5 | 115.8 | 111.2 | 101.8 | 171.9 | 136.6 | 250.0 |
| *Pradhan Mantri Jeevan Jyoti Bima Yojana* and *Pradhan Mantri Suraksha Bima Yojana* (Publicity and Awareness) | 0.0 | 0.0 | 0.0 | 0.0 | 50.0 | 5.0 | 20.0 |
| Grand Total |  | 9030.4 | 10206.8 | 8118.6 | 9624.7 | 12225.4 | 10505.9 | 11425.0 |

*Note:* \**Rashtriya Swasthya Bima Yojana* (RSBY), which was under the Ministry of Labour and Employment was shifted to Ministry of Health and Family Welfare and renamed as  *Rashtriya Swasthya Suraksha Yojana* (RSSY) and has been again renamed as National Health Protection Scheme in the current budget;

*Source:* Compiled by CBGA from Union Budget documents, various years.

Figure 16.1: Total Union Budget Allocation for Social Security for Unorganised Workers as percentage of GDP and Total Expenditure (in percent)

*Source:* Based on data Compiled by CBGA from Union Budget documents, various years.

Issuing of simple portable identity cards for the workers in the informal sector has been a major demand for which Rs. 144.5 crores was allocated in 2015-16, but almost the entire amount has remained unspent as this initiative has not taken off. In the Union Budget 2017-18, Rs. 100 crore has been allocated but this is not sufficient given the fact that there are around 45 crore workers in the informal sector and if we assume the cost at Rs. 20 per card, the required amount would be around Rs. 900 crore.

The NSAP, implemented by the Ministry of Rural Development, is the only major programme with substantial allocation. However, the emphasis of this programme is mainly on old age and widow pension as shown in table 16.2. Though states also contribute towards old age pension, an earlier study by CBGA in 2013 found that the amount provisioned for the old age pension in different states varies from Rs. 200 to Rs. 2,000. Hence, there is a need for the Union Government to scale up the allocation to widen and strengthen the coverage and bring down the inter-state disparity.

Table 16.2: Allocation for Different Components of National Social Assistance Programme (Rs. crore)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| National Social Assistance Programme | 2015-16 (A) | 2016-17 (BE) | 2016-17 (RE) | 2017-18 (BE) |
| Indira Gandhi National Old Age Pension Scheme (IGNOAPS) | 5562.7 | 6130.9 | 6130.9 | 6126.9 |
| National Family Benefit Scheme (NFBS) | 639.4 | 787.2 | 787.2 | 774.1 |
| Indira Gandhi National Widow Pension Scheme(IGNWPS) | 2068.9 | 2221.7 | 2221.7 | 2221.7 |
| Indira Gandhi National Disability Pension Scheme(IGNDPS) | 288.0 | 279.3 | 279.3 | 274.3 |
| Annapurna Scheme | 56.3 | 75.8 | 75.8 | 75.8 |
| National Social Assistance Program (Adm. Expenditure) | 1.1 | 5.2 | 5.2 | 27.3 |
| Total-National Social Assistance Programme | 8616.4 | 9500.0 | 9500.0 | 9500.0 |

*Source:* Compiled by CBGA from Union Budget documents, various years.

It has been demanded to enhance the amount of old age pension and pegging it with the inflation so that the amount gets revised automatically to cover the rising cost of living. There are approximately 10.5 crore senior citizens in the country and if a pension is fixed at half the existing daily minimum wage rate (Rs. 170), the total expenditure would come to around Rs. 3.2 lakh crore per annum, which can be shared between the Centre and the States, for universal coverage. Table 3 shows various expenditure scenarios for different level of coverage.

Table 16.3: Different Expenditure Scenarios for Widening and Strengthening Pension Coverage

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Coverage | 100% | 90% | 80% | 75% |
| Population > 60 years of age (crore) | 10.5 | 9.45 | 8.4 | 7.9 |
| Pension per month @ of Rs. 85 per day (50 % of the national minimum wages; Rs.) | 2550 | 2550 | 2550 | 2550 |
| Per Annum Expenditure (Rs.) | 30600 | 30600 | 30600 | 30600 |
| Total Annual Expenditure on pension (Rs. Lakh crore) | 3.2 | 2.9 | 2.6 | 2.4 |
| Annual Expenditure on pension as % of Total Expenditure for 2017-18 (BE) | 15.0 | 13.5 | 12.0 | 11.3 |
| Annual Expenditure on Pension as % of GDP | 1.91 | 1.72 | 1.53 | 1.43 |

*Source:* Computed by CBGA

Given the requirement as estimated in table 16.3 and the wider informal nature of the economy, there is a need to substantially hike the allocation for social security cover. On the contrary, the Union Budget 2017-18 has kept the allocation for NSAP same, which in real terms is a cut if we factor in the inflation rate. Similarly a cut in National Health Protection, *Atal Pension Yojana*, *Aam Admi Bima Yojana* and *Swavalamban* scheme shows that the already smaller amounts that were allocated earlier are being further shrunk which clearly shows that social protection is losing focus in the current policy making regime. This argument is further corroborated by the fact that overall allocation for the social security has declined in absolute terms in 2017-18 (BE) when compared to 2016-17 (BE).