



# Standing Committee Report Summary

## The Unorganised Sector Workers' Social Security Bill, 2007

- The Standing Committee on Labour (2007-08) submitted its 25th Report on 'The Unorganised Sector Workers' Social Security Bill, 2007 on December 3, 2007. The Chairperson of the Committee is Shri Suravaram Sudhakar Reddy.
- The National Commission for Enterprises in the Unorganised Sector (NCEUS) recommended separate Bills to provide benefits to agricultural and non-agricultural sector workers. The current Bill does not distinguish between these two sectors, and the Committee calls on the government to introduce separate legislation.
- In India, the unorganised sector accounts for nearly 400 million workers. Existing social security schemes cover organised sector workers (i.e. government servants and private sector employees under the Employees' Provident Fund and New Pension Scheme). This Bill allows the government to create welfare schemes such as life and disability cover, health and maternity benefits, old age protection, and other benefits for the unorganised sector.
- The 'unorganised sector' is defined as an enterprise of less than ten people, which is owned by individuals or self employed workers, who produce or sell goods and services. The Committee recommends that the definition should also include all those in the organised sector not covered by existing social security laws and retired unorganised workers. Furthermore, the Committee suggests a monthly income ceiling for non-agricultural workers and a ceiling on land holdings for agricultural workers.
- A 'wage worker' is a person who is employed for a salary in the unorganised sector by an employer or contractor, irrespective of place of work. The Bill does not explicitly clarify that this includes agricultural workers. The Committee recommends adding 'whether in agriculture or non-agriculture' to the definition.
- Unorganised workers are to be issued a portable smart card for the targeted delivery of benefits. The Committee recommends that the identity cards should also apply to migrant workers and also include details of the worker's dependant family members.
- The Committee notes that only a few existing welfare schemes are covered under this Bill. They recommend creating 'national minimum benefits' that would be extended to all unorganised workers within three years. The Committee has specified a few schemes that would be part of this programme and recommends adjusting the benefits for inflation every two years.
- The central government, through notification, may make changes to the list of welfare schemes for unorganised sector workers. Apart from minor operational changes, the Committee recommends that any significant changes to the schemes should require legislative approval.
- The Bill establishes national and state level social security advisory boards to recommend welfare schemes, monitor implementation, and review state record keeping functions. The Committee notes that the state and national boards only have an advisory capacity. They recommend expanding the powers to facilitate implementation and proper monitoring of the schemes.
- The Committee notes that the Bill lacks a financial framework and adequate funding mechanism. It recommends creating the National Welfare Fund to ensure continuity of benefits.

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