



SOCIAL SECURITY AND INFORMAL WORKERS

**A Comparative Study of
Brazil, China, Germany and India**

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FOREWORD

Globalisation of finance capital and production processes has rendered workers worldwide vulnerable to a global search for cheap labour. As a result, there has been a “global race to the bottom” on wages, rights of workers and their working conditions. The last three decades have seen a continued decline in labour’s share of global incomes. Technology and the growing presence of automation in production processes have increased the spectre of jobless growth. The crisis in agriculture and rural areas, which disproportionately impacts small farmers and landless labour, continues to swell the ranks of “surplus” labour which is not fully absorbed by industry. Thus, it is not surprising that a 2018 International Labour Organisation (ILO) report states that 60% of the global workforce, that is, more than two billion people work informally. The overwhelming majority are in emerging and developing countries.

Informal workers, or people dependent on the informal economy (as this category also includes the self-employed), often secure earnings less than the minimum wages and face exploitative work conditions, including long working hours without proportionate compensation. They also live in abysmal conditions without basic amenities and services, including water and sanitation facilities, electricity, and health and education services.

Structural changes are needed to address the crisis of informality. We need to fulfil the promise of land reforms, protect the commons and promote the solidarity economy by encouraging collective enterprise and cooperation in agriculture and industry.

In the short run, we need to secure for people dependent on the informal economy access to basic needs, including nutrition, shelter, health and education for their children. The COVID-19 pandemic and the economic lockdown has unmasked in the public eye, precarities faced by millions of migrant workers. They did not have the wherewithal to cope with even a fortnight of no income.

Social security measures help the poor and marginalised and go a long way in eliminating poverty. The ActionAid Association survey of workers at the time of COVID-19 revealed that the Public Distribution System was the major source of food for most workers in India.

Countries across the world have designed sets of rights and entitlements termed ‘Social Security or Social Protection’ to provide those who need it: access to income

security during unemployment, sickness or maternity; health care, education, old age and widow pensions; and insurance against illnesses, injury and disability.

However, the nature of the provisioning, its constituents and the very nomenclature vary widely amongst countries and agencies that promote them, including the ILO, the World Bank, the United Nations Development Programme (UNDP) and the Asian Development Bank (ADP). The provisions are variously called social security, social protection and social safety nets. Also, there is a significant difference in the percentage of Gross Domestic Product (GDP) spent and the percentage of population covered. As social security provisions are linked with citizenship, refugees and stateless people fall outside its ambit.

The idea for this monograph emerged from the need to be better informed of the various progressive schemes that constitute the social security basket, not just in India but in comparison with select countries across the world. Furthermore, insights from this exercise would help us better engage in dialogues with communities, community-based organisations, civil society organisations, and local, state and national state authorities.

We are extremely grateful to Prof Praveen Jha and Ms Preksha Mishra for leading these efforts. They have authored this monograph and shared it in a public seminar to hone the information and insights that it contains. Finally, I am grateful to the Rosa Luxemburg Stiftung, South Asia, for supporting this effort.

We present in this publication our collective wisdoms and insights in the hope that it helps the ongoing conversations and discourse on bettering our social security systems and furthering the rights of workers in the informal economy. We welcome your views and articulations on this critical agenda.

In solidarity,

Sandeep Chachra

Executive Director

ActionAid Association

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We would like to thank Rosa Luxemburg Stiftung South Asia for supporting the development of this publication. Rosa-Luxemburg-Stiftung (RLS) is a German foundation that is a part of the grassroots movement of democratic socialism. Bearing the name of Rosa Luxemburg (1871-1919), RLS works within the tradition of workers' and women's movements. It serves as a forum for debate and critical thinking about political alternatives, as well as a research centre for progressive social development. The main areas of their work are social transformation, gender equality, labour rights, and agriculture.

Many of our colleagues at ActionAid Association contributed to making this publication happen. We thank them all. Sandeep Chachra has provided guidance and encouragement to the entire team. Prem Ranjan has coordinated the overall efforts from the beginning and contributed greatly to conceptualising the document, with the support from Koustav Majumdar. The Communications Unit ensured timely publication with Joseph Mathai anchoring the process, doing the final edits and the final structuring of the publication, and M V Rajeevan designing the cover and laying out the pages. As a freelance editor, Punam Thakur copy edited the document.



EXECUTIVE SUMMARY

The sudden outbreak of the COVID-19 virus and the associated containment measures undertaken by governments across the globe resulted in a substantial contraction of global GDP and a considerable loss of lives and livelihoods. Moreover, the crisis pushed groups that were vulnerable, even before the crisis - migrant workers, informal workers, and amongst them especially women - further into poverty and starvation. It has been estimated that roughly 1.6 billion workers engaged in the informal economy¹ (out of a total of 2 billion) were hit by the lockdown measures as they were employed in the worst-hit sectors and had no possibility of working from home (ILO, 2020b). As a result, about 119-124 million additional people were pushed into poverty in 2020 (UN, 2021) and an estimated 88-115 million people into extreme poverty (World Bank, 2020). In fact, in 2019-20, the extreme poverty² rate rose for the first time since the financial crisis of the 1990s, essentially undoing much of the progress made towards eradicating extreme poverty. According to the Sustainable Development Goals Report 2021 (UN, 2021), the ongoing crisis is expected to result in roughly 600 million people living in extreme poverty in 2030.

The pandemic has also resulted in deepening inequalities. Oxfam's 2022 report titled 'Inequality Kills' states that while incomes of 99 per cent of the population were adversely affected due to COVID-19, the wealth of the top 10 richest persons doubled between March 2020 and November 2021 (Ahmed et al., 2022). The fortunes of the 2,755 billionaires across the globe increased more during the pandemic compared to the past 14 years (Lawson & Jacobs, 2022).

While the impact of the pandemic-led crisis was witnessed everywhere across the globe, it was by no means uniform; the major brunt of the situation was borne by the low- and middle-income countries. Several scholars have argued that the inadequacies and inequalities of social security systems across and within countries exacerbated the crisis and led to a significant divergence between developed countries and the others in terms of recovery and the impact on hunger poverty and deprivation for their populations thereby accentuating the gaps between the 'haves' and the 'have-nots.' As per the World Social Protection Report 2020-22 (ILO, 2021b), of the total global population, 53.1 per cent or roughly 4 billion people were *not covered* under *any* social protection benefit (excluding healthcare

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1. Encompasses all economic activities by workers and economic units that are - in law or in practice - not covered or insufficiently covered by formal arrangements.
 2. Extreme poverty is currently measured as people living on less than \$1.25 a day.

and sickness benefits) specified under the Sustainable Development Goal (SDG) indicator 1.3.1.³ There were also considerable variations in the coverage of social security across and within regions. On one end of the coverage spectrum stood, Europe and Central Asia (83.9 per cent) and the Americas (64.3 per cent) with rates much higher than the global average while on the other end were, Asia and the Pacific (44.1 per cent), the Arab States (40.0 per cent), and Africa (17.4 per cent) with lower than global coverage rates.

It has been argued that while countries with already existing effective social security systems (for instance, Europe and the US) could provide better buffers to their vulnerable populations, most others failed miserably. Thus, in the wake of this ongoing major global shock, the social security movement has gathered significant momentum in the policy discourse as the crisis underlines the fundamental importance of social security as a social, economic, and political stabiliser.

Against this backdrop, the mandate of this monograph was three-fold. *First*, to delve into some of the competing ideas in the discourse – social security, social protection, and social safety nets; the ideas themselves being visualised differently by different international agencies including ILO, the World Bank, UNDP, and ADB, to mention a few. *Second*, to compare the social security systems in four diverse G20 countries – India, China, Brazil, and Germany. Owing to issues of space and its mandate, the monograph is restricted to the current social security systems in place in these countries and not on the social security measures undertaken for temporary relief during the ongoing crisis. A comparison was done along three axes – effective coverage rates, social protection expenditure, and legal coverage (with a particular emphasis on informal workers). *Third*, to identify some key challenges (especially for informal workers) for the social security system in India while also deriving some important key lessons for revamping the system.

On the issue of competing ideas, there is no strong watertight analytical distinction between social security and social protection. It is more a matter of convention rather than any analytical reasoning. Internationally, social protection has become the most widely used term (Carter et al., 2019). In this monograph, however, these terms are used interchangeably. Social safety nets, however, form a small component of the social security/protection frameworks.

Given the rich body of literature and different definitions across space and time, covering these conceptualisations and their evolution was a herculean challenge. A crucial point to underscore here is that over time, particularly during the last 30 years or so, there has been a constriction of the notion of social security. This is

3. The indicator reflects the proportion of persons effectively covered by a social protection system, including social protection floors. It also reflects the main components of social protection: child and maternity benefits, support for persons without a job, persons with disabilities, victims of work injuries, and older persons.

particularly evident as ILO has moved from the concept of social security to social protection (in lines with the World Bank terminology), eventually recommending social protection floors in 2012. This reflects a narrowing of ILO's framework for social security; one that is now in tandem with the World Bank's stance. It also represents a move towards 'minimalistic' protection rather than a 'rights-based' approach to social security as envisioned in the Universal Declaration of Human Rights (1948). In fact, the traditional construction under the terms of the post-War social contract had started eroding seriously by the 1980s particularly during the neoliberal order. Thus, today the social protection systems reflect 'neither social solidarity nor social justice'. This is because the neoliberal social protection ideology focusses more on the economy, growth, productivity, stability, and creation of new markets for health, education, and other services. It has 'nothing to do with social and economic rights' or with redistribution (Mestrum, 2015).

It has also been observed that there has been a move away from provisioning for social security to contributory insurance-based schemes particularly since the 1990s citing a high financial burden on the governments and for ensuring that worker incentives are not affected by State provisioning. This is problematic for economies with high informal employment like India because low and unreliable incomes typical of the informal economy make regular contributions by workers and employers difficult. Moreover, informal workers are often employed through multiple-levels of sub-contracting so that the employer (on whom the employer contribution can be imposed) is difficult to identify in developing countries like India. The issues are further complicated in India as a large proportion of the workers have no written contracts.

A cross-country comparison between the four G-20 countries brought out clearly that despite decent rates of growth during the reform period and a large number of legislations, India's performance on the social protection front was abysmal both by international standards and vis-à-vis the other three countries. In terms of effective coverage, the percentage of population covered by *at least one* social security benefit in India was only 24.4 per cent whereas the world average was roughly double the figure. Germany performed spectacularly on all aspects of social security with 99.5 per cent of the population having access to at least one social security benefit followed by China and Brazil which were on a similar footing. A bifurcation of the population into specific groups (for instance, children, unemployed, and mothers-with-newborns), showed that except for children, the effective coverage rates among these sub-groups were deplorable in India. Of particular note were the unemployed who had no insurance/assistance in India under the present regime, unlike the other three countries. This is particularly important because unemployment rates in the country have remained high during the neoliberal period.

India's spending on social protection was also the least among the countries studied – only 1.4 per cent of its GDP compared to the global rate of 13 per cent in

2020. Both Germany (19.4 per cent) and Brazil (16 per cent) spent much above the global figure. With regard to legal coverage, as opposed to Germany, in India, China, and Brazil, social security legislations are by and large restricted to the formal sector. In India, the issue is particularly vexing because more than 90 per cent of the workforce is engaged in the informal economy and has had little to no access to basic social security despite the implementation of the Unorganised Workers' Social Security Act (2008) and other targeted schemes. This is largely because of a *fragmented administrative and delivery system for social security* and issues with identifying (and targeting) the informal workforce.

Though the recently introduced Social Security Code (2020) has been lauded for its comprehensiveness, several scholars have argued that it largely fails to address existing issues especially those pertaining to the informal sector (like monitoring, registration etc) that made the erstwhile legislation ineffective. It remains to be seen, if and how the code is able to improve the coverage and restructure the social security system in any comprehensive way.

Some key lessons can be drawn from the social security frameworks in Brazil (using social protection with a multi-sector view like *Bolsa Família*) and China (particularly with regard to their spectacular performance in old-age pension schemes' coverage). Germany, with its system of mandatory insurance schemes and comprehensive social assistance programmes could also be a useful model. However, given a high share of an informal workforce, mandatory social insurance may not be a suitable approach in India owing to the reasons cited above. Thus, the State must play a central role in the provisioning of social security. A universal social protection framework is the need of the hour. As per ILO's recommendations of social protection floors, while nationally defined social protection floors can be a starting point in achieving universal social protection, that is not where the effort must end. The social security systems must strive to move away from 'minimalistic' and 'individualistic' tendencies. Instead, commitment to providing universal, high quality public services in health, education, and other essential human services to all, is of utmost importance. Fiscal space for universal State-provisioned social security can be created through a variety of instruments including securities transaction tax, Tobin tax, and environment/climate tax.

What is needed, first and foremost, is a much more comprehensive visualisation of social security that moves outside the realm of economic security to understand that the realisation of social and cultural rights (as identified in the Universal Declaration of Human Rights - UDHR) is also key to ensuring economic security. It is also essential to base the social security systems in a 'right-based vision of social justice' thereby upholding the provision of basic social rights for all. Such a transition, however, will entail a strong political will, a strong civil society, and activism to drive the country towards a social security system that reflects social justice and solidarity.

INTRODUCTION

Effective and comprehensive social protection is not just essential for social justice and decent work but for creating a sustainable and resilient future too.

~ILO Director General Guy Ryder, September 2021.

There is a general agreement that social security forms a crucial bedrock of any decent development paradigm and it is appropriate that the 2030 Development Agenda has flagged different dimensions of social security as prominent goals and targets. Implementing 'nationally appropriate social protection systems and measures for all, including floors and achieving substantial coverage of the poor and vulnerable by 2030' (Target 1.3) is regarded as an essential component for realising SDG 1 aimed at ending poverty in all its forms. In the wake of the ongoing major global shock, that is the COVID-19 pandemic, the social security movement has gathered significant momentum in policy discourse as it underlined the fundamental importance of social security as a social, economic, and political stabiliser.

The onset of the viral outbreak was first seen largely as a health crisis, drawing attention to the inadequate health infrastructure and related policies particularly in the developing countries. However, the response measures (like the imposition of stringent lockdowns) transformed it into one of the biggest socioeconomic crises of recent times. As the global GDP contracted, several millions lost their livelihoods, roughly 495 million and 345 million full-time jobs during the second and third quarters of 2020 respectively with the impact being more severe in lower- and middle-income countries (ILO, 2020a). This sudden shock put a significant number of people at risk, particularly those who were already vulnerable - workers in the informal sector (or other forms of informal employment), low- and medium-skilled workers, self-employed workers, migrants who were forcibly displaced with the imposition of sudden lockdowns, women, and children.

It is estimated that roughly 1.6 billion workers engaged in the informal economy⁴ (out of a total of 2 billion) were hit by the lockdown measures as they were employed in the worst-hit sectors and had no possibility of working from home (ILO, 2020b). The pandemic likely pushed 119-124 million additional people into poverty in 2020 (UN, 2021) and an estimated 88-115 million people into extreme poverty;² the figure was expected to rise to 150 million in 2021 (The World Bank, 2020). During 2019-20, the extreme poverty rate rose for the first time since the financial crisis of the 1990s reversing much of the progress that had been made towards poverty alleviation and attempts to achieve complete eradication of extreme poverty by 2030. It is expected that the pandemic will result in roughly 600 million people still living in extreme poverty in 2030 (UN, 2021).

While countries with already existing effective social security systems (like those in Europe and the US) could provide better buffers to their vulnerable populations, most others failed miserably. It has been argued that existing inadequacies and inequalities of social security systems exacerbated the crisis and led to significant divergence between developed countries and the others in terms of recovery, impact on hunger, poverty, and deprivation for their populations thereby accentuating the gaps between the 'haves' and the 'have-nots.' Since the beginning of the COVID-19 outbreak, while millions lost their incomes and livelihoods, the world's 10 richest individuals witnessed their combined wealth increase by half a trillion dollars (Berkhout et al., 2021). As per an Oxfam's 2022 report titled 'Inequality Kills', incomes of 99 per cent of the population were adversely affected due to COVID-19 but the wealth of the top 10 richest persons doubled between March 2020 and November 2021 (Ahmed et al., 2022). Further, the fortunes of 2,755 billionaires across the globe increased more during the pandemic compared to the past 14 years (Lawson & Jacobs, 2022). It is hardly surprising then that income inequality is expected to increase, reversing the fall that had been recorded since the 2008 sub-prime crisis (IMF, 2020).

1. Encompasses all economic activities by workers and economic units that are - in law or in practice - not covered or insufficiently covered by formal arrangements.

2. Extreme poverty is currently measured as people living on less than \$1.25 a day.

The crisis exposed the pronounced deep-seated inequalities in comprehensiveness, coverage, and adequacy of the social protection systems across as well as within countries. As per the World Social Protection Report 2020–22 (ILO, 2021b), of the total global population, 53.1 per cent or roughly 4 billion people were *not covered* under *any* social protection benefit (excluding healthcare and sickness benefits) specified under the Sustainable Development Goal (SDG) indicator 1.3.1.³ Further, only a small proportion (30.6 per cent) of the world's population was found to be legally covered by a comprehensive social security system including the entire set of benefits ranging from child and family benefits to old age schemes. Gender gaps were further superimposed on an already inadequate social security system with female coverage being less than that of males by eight percentage points. There were also considerable variations in the coverage of social security across and within regions. On one end of the coverage spectrum were Europe and Central Asia (83.9 per cent), and the Americas (64.3 per cent) with rates much higher than the global average while on the other end were, Asia and the Pacific (44.1 per cent), the Arab States (40.0 per cent), and Africa (17.4 per cent) with lower than global coverage rates.

Despite proclaiming to be a 'welfare state,' India's performance in terms of social security has been rather abysmal relative to other countries. The social security movement in the country has been extremely slow in improving its coverage and scope during the reform period. The global Social Mobility Index (2020)⁴ with one of its key pillars of social protection, ranked India at the 76th position (out of 82 countries). For social protection, India's score was only 26, compared to the global average score of 58.2. The low social protection coverage and social protection expenditure

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3. The indicator reflects the proportion of persons effectively covered by a social protection system, including social protection floors. It also reflects the main components of social protection: child and maternity benefits, support for persons without a job, persons with disabilities, victims of work injuries, and older persons.
 4. The World Economic Forum's Global Social Mobility Index, focuses on drivers of relative social mobility instead of outcomes. It uses 10 pillars, which in turn are broken down into five determinants of social mobility – health, education, technology access, work opportunities, working conditions and fair wages, and social protection and inclusive institutions.

compared to its regional peers has been detrimental to social mobility in India (WEF, 2020). More recently, in the 2021 Mercer CFS Global Pension Index survey, India was at the 40th position, out of 43 countries. Despite myriad legislations and schemes, the primary challenge in securing the vulnerable lies in the large-scale informality that essentially makes the most vulnerable, 'invisible' to the existing social security mechanisms.

The current dismal state of social security systems, particularly in developing countries, has emerged despite the fact that social security was enshrined as a basic human right as early as 1948 in the Universal Declaration of Human Rights and in the International Covenant on Economic, Social, and Cultural Rights (1966). Several scholars have argued that while the social security movements centred around the idea of social security as a basic human right (and not charity) reached the high noon in post-World War II re-construction, the idea started eroding significantly in the 1980s. Consequently, the social security systems in place today neither reflect the ideas of social justice nor of social solidarity. Over time, particularly during the last 30 years or so, there has been a constriction of the very notion of social security.

Additionally, the evolution of social security concept has also been ripe with several different definitions and terminologies being used by various international agencies like the World Bank, ADB, and UNDP. This monograph analyses some of these ideas, particularly social security, social protection, and social safety nets and their varying conceptualisations that have emerged gradually in the international policy discourse.

The primary objective of this monograph is to analyse the current social security system in India in a comparative context and not to examine the measures (mostly temporary and emergency relief oriented) that were undertaken once the COVID-19 crisis started unfolding. In particular, the focus is on the pre-existing mechanisms that exacerbated the crisis by affecting the vulnerable population groups that were 'invisible' to the State to begin with.

The monograph is structured as follows: the first chapter addresses the concepts of social security and social protection in international literature while highlighting the importance of such systems. It also analyses the key

challenges in building efficient social security systems with a particular emphasis on the persistent and increasing informalisation in the world of work especially in developing countries like India. Specific definitional issues pertaining to the informal economy have also been discussed. Chapter two compares the current social security systems in four G20 countries – India, China, Brazil, and Germany. These countries were chosen primarily because of the differences in their social security systems which can largely be located in their respective historical developmental trajectories. The comparison focuses on nine standard branches of social security systems: (i) healthcare, (ii) sickness, (iii) old age, (iv) unemployment, (v) employment injury, (vi) family and child support, (vii) maternity, (viii) disability, and (ix) survivors and orphans, specified in ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102).

Chapter three discusses the future of social security in the international order while discussing the ideas of universal basic income and social and solidarity economy. Chapter four discusses some major challenges for social security systems in India. It also draws on the comparison in Chapter two to highlight some key lessons for the social security system in India. The last chapter closes the report with some concluding remarks.



SOCIAL SECURITY: AN INTERROGATION OF CONCEPTS AND CHALLENGES

Modern social security systems can be traced to the laws that were introduced in Europe in the 19th century which were consolidated in the 20th century. The aim of this consolidation was mitigating the socio-political contradictions that were inherent in the capitalist mode of production in the early industrialised countries of the world. Reducing inequalities, improving the well-being of the poor while conciliating different social demands were the key objectives for introducing these systems (Justino, 2007). Gradually, increasing integration of the world and large increases in economic growth was accompanied by high incidences of poverty and an astounding rise in income and wealth inequalities, which, in turn, led to further discussions on social security. One such prominent discussion was on its conceptualisation in the wake of differing structural characteristics of developing countries vis-à-vis the developed ones. Thus, the concept of social security, erstwhile derived from the experiences of the industrialised world, changed over the years in its vision, scope, and relevance.

This chapter discusses some of the conceptual issues in social security. The first section elaborates on some of the competing concepts used in literature and highlights the differences in their visualisation across prominent international agencies like ILO, the World Bank, and UNDP. The next section discusses some key points of social security's relevance from the perspective of growth, equality, protection, and human development. It also highlights some important challenges and debates in the discourse regarding the implementation of comprehensive social security mechanisms with particular emphasis on the issue of informality.

Social Security: Definitional Issues and Challenges

The social security discourse can be traced back to the early days of capitalism towards the end of the 16th century. As capitalism took roots and major processes of structural transformation were unleashed, it led to a substantial increase in poverty for the working people. It was increasingly

recognised that the State must assume the responsibility for economic security. The English Poor Law (1601) was the first systematic codification of such ideas. It was a tax-financed relief activity that distinguished between the 'deserving' and 'undeserving' poor. The system was controlled locally by the community through the establishment of alms houses to accommodate those availing of such relief measures. Economic security was largely treated as a problem that afflicted only the poor. The English Poor Laws were poorly enforced but widely used in the 17th and 18th centuries and could be regarded as an early social assistance venture. The new Poor Law (1833) was enacted on principles similar to the earlier Poor Law and took a harsh moral view of poverty. Under the new law, the poor were admitted to work in houses where they received in-kind relief in return for work generally under rough working conditions. The law was considered to be both cruel and generous. It was deemed generous because it recognised the State's responsibility for the welfare of the poor and its cruelty stemmed from the fact that at its core it viewed the poor as undesirable in society and dealt with them 'appropriately.'

Thereafter, the first attempt at a social security system was made in Germany with the introduction of the world's first social insurance scheme in the form of the Sickness Insurance Law (1883) by Chancellor Otto von Bismarck. This too, was not born out of a humanitarian approach but out of political ambition – to check the growth of socialism and to avert any revolution by providing some relief measures to the dissatisfied workers. However, in essence, it recognised the many contradictions of the capitalistic system. The Sickness Insurance Law was a mandatory contributory scheme, to which both the employer and the employee contributed so as to provide employees in specified industries medical care and in-cash benefits during ailments. A similar scheme of accidental insurance was implemented in the country in 1884. Eventually, a pension law for all workers in trade, industry, and agriculture was enacted in 1889. Subsequently, such schemes spread to other parts of Europe like Austria (1888), Italy (1893), Sweden, and Netherlands (1901). Gradually, unemployment insurance and health insurance were also added to the mix in the early 1900s and consolidation of social security systems started in the 20th century across the globe.

A key departure from a largely insurance based social security system came in the form of introduction of family allowances (non-contributory) during the period of the Great Depression when real economic activity collapsed and unemployment rates skyrocketed. These were first introduced in Belgium and France in 1930 and 1932 respectively and largely drew inspiration from the ideas of 'just wage' in social Christianity. France, in particular, provided a very generous family allowance benefit in an attempt to increase the birth rate after suffering huge casualties during World War I. Gradually, in the aftermath of the Great Depression, the US, which had earlier opposed social security interventions, enacted the Social Security Act of 1935. It marked the beginning of a comprehensive social security system in the US. Not only were there provisions for federal grants for State assistance to the aged, blind, disabled, and dependent children but there was also federal financial backing for setting up state unemployment insurance plans. Later, the scope was enlarged to include provisions for survivors.

The high point of social security as a discourse, however, came during World War II. Not only was there an emergence of the earliest conceptualisation of social security - the Beveridge Committee (1942) but also several milestone declarations in the history of human rights. The Philadelphia Declaration (1944) put human rights as the fundamental objective of all national and international policies. Subsequently, the Universal Declaration of Human Rights (UDHR) (1948) recognised an individual's right to social security (Article 22) as a basic human right and not a dole (unlike the English Poor Law). UDHR's Articles 22-27 upheld the *right* to a standard of living and called for additional accommodations and care for the physically disabled as well as for mothers and children. In the mid-20th century, this represented a consolidation of a rights-driven approach to social security. The International Covenant on Economic, Social, and Cultural Rights (1966) recognised individuals' right to incorporate labour rights, the right to health, the right to education, and the right to an adequate standard of living.

However, despite this early recognition, comprehensive and resilient social security systems across the globe remain a distant reality not only in practice but also in conceptualisation. Mestrum (2015) argued that the traditional construction of social security systems under the terms of

the post-War social contract had started eroding seriously by the 1980s particularly during the neoliberal order. Thus, today the social protection systems reflect ‘neither social solidarity nor social justice’ (or redistribution) because the neoliberal social protection ideology focusses more on economy, growth, productivity, stability, and the creation of new markets for health, education, and other services so neoliberal social protection has ‘nothing to do with social and economic rights’ or with redistribution (Mestrum, 2015).

What follows is a brief overview of the concept of social security as defined by different agencies. The evolution of this concept was also marked by the emergence of competing ideas pertaining to its scope and nomenclature; the most common being social protection and social safety nets. This section discusses some of these ideas and focusses on the different definitions used by international organisations like ILO, the World Bank, UNDP, and ADB.

The Beveridge Committee report (1942) provided one of the earliest definitions of social security. It defined social security as the ‘freedom from fear and wants’ but was restricted to healthcare and rehabilitation services and provision of children’s allowances while dodging the large-scale unemployment (Majumdar & Borbora, 2013). This formed the basis of many of the modern definitions of social security which are quite different from each other. The most widely recognised definition is the one provided by ILO which defines social security as ‘the protection that a society provides to individuals and households through a series of public measures against the economic and social distress that otherwise would cause the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death; the provision of medical care; and the provision of subsidies for families with children’ (ILO, 1984).

ILO’s Social Security (Minimum Standards) Convention, 1952 (No. 102) is considered to be the flagship social security instrument globally because it is unique in both its conceptual formulation of social security and the guidance it provides for establishing social security systems. There are other definitions provided by several scholars, some of which are discussed in *Box 1.1*.

Box 1.1: Different definitions of social security

ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102) classifies social security systems into nine standard branches – (i) healthcare, (ii) sickness, (iii) old age, (iv) unemployment, (v) employment injury, (vi) family and child support, (vii) maternity, (viii) disability, and (ix) survivors and orphans.

Some scholars also define social security as the sum of social assistance and social insurance (Sepúlveda et al, 2012). Social insurance is a contributory scheme aimed at mitigating risks due to unemployment, disability, survivor challenges, old age, or illness while social assistance is in the nature of non-contributory support (in-cash or kind) to vulnerable groups to provide them a decent life.

Other scholars define social security in a much broader sense, including a plethora of other indicators that encompass a decent life in the form of a minimum wages for workers. These include access to safe drinking water, sanitation, health, educational and cultural facilities, and housing (Mattoo, 2000).

ILO's conceptualisation of social security has been criticised for being too restrictive (Sarkar, 2004); being derived primarily from the experiences of the developed countries while failing to consider the differences between the developing and developed countries (Justino, 2007). Firstly, the structural characteristics in developing countries often impede the penetration of social security systems like unemployment allowances, pension systems, and maternity benefits that have been widespread in the industrialised economies. The underdeveloped capital and insurance markets, the predominance of informality, high share of agricultural employment and self-employment exclude a major chunk of the population from the ambit of social security systems (Srivastava, 2013). In fact, social security has been defined in such a manner that it remains limited to the organised sector which accounts for a very small portion of the population in developing countries as opposed to the developed ones (Prabhu, 2001).

Secondly, poverty, wealth, and income inequalities, and inadequate access to productive assets, markets, and institutional support make the poor in these countries significantly vulnerable to shocks during their

life-cycle (Justino, 2007; Pimentel et al., 2018). Owing to the extensive socio-economic needs of developing countries, in contrast to those of developed ones, the traditional concept of social security systems has largely been deemed insufficient.

Against the lacunae of the social security concept, the notion of *social protection* emerged as a more comprehensive and wider concept (Srivastava, 2013). It is widely used across the globe by agencies and scholars in discourses on social security. At times, it has been used interchangeably with social security (ILO, 2017) while at other times, it is viewed as a much broader term (discussed later).

ILO and other international organisations have included both statutory as well as non-statutory social security schemes in the concept of social protection (Srivastava, 2013). There is a huge body of literature which helps understand social protection's vision, coverage, implementation, and approach. Yet, the concept has remained largely fuzzy in terms of specificities, resulting in various international agencies using different definitions of the term. This section provides a brief overview of some of the key definitions used by prominent organizations and institutions by grouping them according to their key focus areas. The definitions can broadly be grouped under three schools of thought - those that define social protection in terms of: (a) *objectives or development goals*; (b) *building blocks or compositions*; and (c) *its functions* (UNDP, 2016). It is imperative to highlight here that there exists substantial overlap between these schools of thoughts particularly as the agencies' definitions evolved over time. It must also be noted that each of these conceptualisations is nuanced and differentiated and must not be considered as a part of a homogenous school of thought.

The first set of definitions largely focuses on social protection's rationale or development goals. It is important to note that while several competing notions of social protection exist, at the core of these different approaches remain a common vision that social protection is a policy framework aimed at alleviating poverty and reducing vulnerabilities (UNDP, 2016). But approaches vary in their primary focus ranging from poverty and vulnerability alleviation to risk management and macroeconomic stability. These are discussed in *Box 1.2*.

Box 1.2: Some definitions of social protection grouped by their primary objectives

The first set of definitions visualises poverty and vulnerability reduction as social protection's primary objective. For instance:

- a. UNICEF (2012) defines social protection as a 'set of public and private policies and programmes aimed at preventing, reducing and eliminating economic and social vulnerabilities to poverty and deprivation.' Devereux and Sabates-Wheeler (2004) also view it as an investment in poverty reduction.
- b. According to the Asian Development Bank (ADB), social protection's primary aim is helping individuals break the vicious cycle of poverty and improving the quality of growth of member countries through 'investment in human capital, increases in productivity, and reduction in the individuals' vulnerability to risks' (Ortiz, 2001).
- c. UNDP (2016) envisages social protection in a more specific manner as a 'set of nationally owned policies and instruments that provide income support and facilitate access to goods and services by all households and individuals at least at minimally accepted levels, to protect them from deprivation and social exclusion particularly during periods of insufficient income, incapacity or inability to work.' Social protection defined in this way brings the attention to *a minimum acceptable standard of living both economically as well as socially*.

On the other hand, several international agencies led by the World Bank's Social Risk Management framework (Holzmann & Jorgensen, 2001) visualise risk and volatility management as the primary rationale behind social protection because socio-economic development is hindered by the vulnerability to shocks and hazards. In this context, social protection can be viewed as an effective risk management tool for stabilising income and consumption.

Another set of definitions in this school of thought emanates from macroeconomic stability being the primary rationale for social protection. In the aftermath of the 2008 sub-prime crisis, IMF defined social protection as an 'important contributor to macroeconomic stability' because 'maintaining social and political support for sustainable macroeconomic policies can depend crucially on avoiding excessive stress on vulnerable groups' (Carter et al., 2019).

A few key points of divergence among the international agencies can be seen from the definitions. First, the agencies differ in the responsibility of the State and private initiatives in social protection. UNICEF (2012) and Devereux and Sabates-Wheeler (2004) view social protection as a set of public and private initiatives/policies. In this sense, social protection is often viewed as a 'state-citizen' contract in which both the State and the citizens have mutual rights and responsibilities (Carter et al., 2019). In contrast, UNDP (2016) explicitly states that social protection is a 'set of nationally owned initiatives/instruments', thereby putting the State at the core of the social protection responsibility.

Another key issue can be seen is the emergence of the two groups which differ significantly regarding the primary rationale for social protection. On the one hand, the concepts put forth by ILO, UNDP, and UNICEF focus on alleviation of vulnerability and deprivation as the primary rationale. UNDP (2016) calls for provisioning of goods and services to all households to ensure a minimum standard of living; a concept that seems similar to that proposed in UDHR. On the other hand, the World Bank and IMF seem to move away from a human-driven approach to a more economy-oriented approach of viewing social protection as a tool for ensuring economic growth and stability through risk management and macroeconomic and political stability. The World Bank's approach has come under severe criticism from many scholars as it essentially renders social protection as a risk mitigator which has nothing to do with redistribution of income but is seen only as an instrument to aid troubled households to promote economic growth and stability (Mestrum, 2015).

The second group of conceptualisations of social protection is broadly characterised as one that concentrates on the building blocks of social protection resulting in social protection being defined in a broad or narrow sense. In a broad sense, some scholars define social protection as an aggregate of contributory, non-contributory, and labour market programmes. One of the broadest conceptualisations of social protection is provided by the Institute of Development Studies (IDS) and the Asian Development Bank (ADB)

The Institute of Development Studies (IDS) visualises social protection as composed of: (i) social assistance, (ii) social insurance, (iii) social care

Box 1.3: Key building blocks of Social Protection (IDS)

Social assistance refers to non-contributory transfers (usually by the State), provided with the objective of assisting individuals/households to 'cope with poverty, destitution and vulnerability' (White, 2016). Those transfers that are completely borne by the provider are categorised as non-contributory transfers. According to Carter (2019), these interventions include: (i) social transfers (conditional and unconditional cash transfers, cash plus programmes, or in-kind assistance), (ii) public works programmes (for instance, food/cash/vouchers for work), (iii) fee waivers (for health and education); and (iv) subsidies (for food, fuel).

The second component is *social insurance* which is defined as contributory schemes in which the participants make regular contributions for covering the cost for certain contingencies (Barrientos, 2010). These contingencies may include illness, injury, disability, death of a spouse or parent, maternity/paternity, unemployment, old age, and shocks affecting livestock/crops. These may be voluntary (like private insurance schemes) or mandatory (like social health insurance).

Social care services form the third major component of social protection. These services pertain to those 'facing social risks such as violence, abuse, exploitation, discrimination and social exclusion' (White, 2016).

The final pillar of social protection is *labour market interventions* aimed at promoting employment, efficient labour market operations, and providing protection (in terms of decent work – standards and rights) to the workforce (Barrientos, 2010). These include both active and passive labour market interventions. Active labour market interventions are those that aim to improve access to the labour market for the unemployed and most vulnerable groups (Carter et al., 2019). Assisting individuals in acquiring skills, creating jobs through the public sector, or through provision of subsidies for private sector work (ILO, 2017), and improving access to the labour market are a few examples of this type of intervention. In contrast, passive labour market interventions aim at shielding individuals from various labour market risks like 'unemployment, underemployment, diminishing real wages, and precarious/informal employment' (ILO, 2017; The World Bank, 2018). For instance, unemployment insurance, labour law changes, and income support.

services; and (iv) labour market programmes. These are briefly discussed in *Box 1.3*. This definition has generally been accepted globally in terms of its components and scope. However, it is largely influenced by the experiences of the global North or the industrialised countries.

In response, ADB conceptualised social protection by focussing on the specific structural characteristics and socioeconomic needs of the Asia-Pacific, particularly the predominance of informality in the economies. ADB incorporated two other components: (i) micro and area-based schemes to protect communities, and (ii) child protection, in addition to: (iii) labour market programmes and policies, (iv) social insurance, and (v) social assistance and welfare service programmes. The latter three are included in roughly all social protection strategies across the globe. *Micro- and area-based schemes aim to* 'alleviate risks and vulnerabilities at the community level' while *the child protection component seeks to* secure 'a healthy and productive development of the future workforce' (Ortiz, 2001). It was believed that these components, collectively, could effectively cover both formal and informal sectors. While 'structured social insurance, labour market policies and universal child protection programs' could cater to those in the formal sector, 'other labour market policies, social assistance, child protection, micro-insurance, social funds, and other community-based programs' could reach those in the informal sector (Ortiz, 2001).

The *third group* of conceptualisations focuses on the analytical framework (Carter et al., 2019), that is, the functions that social protection performs which, in turn, move individuals closer to the developmental goals (UNDP, 2016). The most commonly used approach, generally termed as *protection, prevention, promotion, and transformation*, was given by Devereux and Sabates-Wheeler (2004). Under its '*protective*' function, social protection strives to provide relief from deprivation (for instance, through income benefits and state pensions) while under its '*preventative*' function, it seeks to avert deprivations through social insurance and savings clubs. In its '*promotive*' role, social protection focusses on improving the capabilities and incomes of individuals. Finally, social protection also functions to bring about '*transformative*' changes in society so as to promote social equity and inclusion, empowerment, and rights through legislations (for example, labour laws).

Another common approach in literature is that of viewing social protection 'as an investment in human capital which increases capacities and the accumulation of productive assets' (Barrientos, 2010). Human capital formation can be furthered through social protection both directly (through provision of food and skills) or indirectly by allowing individuals to sponsor their own development (through granting cash and access). Conceptualised in this way, social protection serves as a tool to break the intergenerational vicious cycle of poverty.

Another term, '*social safety nets*' or '*safety nets*', has also been used frequently in literature on social security. Most of the international organisations define safety nets as a short- term and/or emergency-focused form of social protection to provide individuals an immediate cushion or injection to fulfil their basic needs during a crisis (Carter et al., 2019). The World Bank identified safety nets as the third pillar of its three-pronged strategy (World Bank, 1990).

This discussion on the three most commonly used terms in the discourse on social security, social protection, and social safety nets, brings out some key points of distinction in their conceptualisations. It also highlights some of the nuanced differences in each of these concepts as envisioned by different agencies. This discussion, however, is by no means exhaustive and does not cover the entire body of rich literature.

The point that clearly emerges from the foregoing, is that social safety nets are universally considered to be the narrowest of the three concepts because they do not focus on any larger development goals but are undertaken as a one-time injection to provide instant relief. During the 1990s, as discussions around the multi-dimensionality of poverty, vulnerability, and risk became more vibrant and nuanced, there was mounting criticism of safety nets due to their 'residualist and paternalistic nature' (Devereux & Sabates-Wheeler, 2004). Simultaneously, the broader potential of social protection/social security also started being recognised (Devereux & Sabates-Wheeler, 2004).

A comparison between social security and social protection, however, has attracted both attention and debate. Social security and social protection are often used interchangeably by ILO and other UN bodies (ILO, 2017;

Sepúlveda et al, 2012) as indicated by the roughly identical definitions in different reports. ILO defines social security as ‘the protection that a society provides to individuals and households through a series of public measures against the economic and social distress that otherwise cause by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death; the provision of medical care; and the provision of subsidies for families with children’ (ILO, 1984). However, in its 2004 report, ILO defines social protection in an identical manner.

A number of scholars and organisations view social security as a small portion of the overall concept of social protection (Carter et al., 2019). Social protection is, hence, seen as a more comprehensive, all-encompassing, and wider concept. It is a concept suited for addressing the systemic issues in developing countries (Srivastava, 2013). Some authors argue that social protection constitutes both statutory and non-statutory measures which are not restricted only to ensuring decent work (to workers) but also aimed at providing effective protection for the entire population (Garcia & Gruat, 2003; Srivastava, 2013). Srivastava (2013) argues that as opposed to social security, social protection covers various dimensions through the entire life cycle. Consequently, *social protection* has garnered a lot of acceptance internationally and become the most commonly used terminology (Carter et al., 2019) particularly as social protection floors were recommended by ILO in 2012.

Since different groups view the scope of social protection/security differently, it has been difficult to arrive at a consensus about the terminology. The changing landscape brings home the point that there is no strong watertight analytical distinction between social security and social protection, in our assessment. It is more a matter of convention rather than any analytical reasoning. Hence, internationally, social protection has become the most widely used term (Carter et al., 2019). However, in legal terminology, it is essential to point out here that while social security has been recognised explicitly as a human right, social protection is not. The latter is viewed largely as a measure to stand in support of human rights. The use of the term social security then seems to be more relevant while discussing international and national conventions/declarations/laws.

Over time, particularly during the last 30 years or so, there has been a constriction of the notion of social security. This is particularly evident as ILO has moved away from the notion of social security to social protection (in line with the World Bank terminology) and eventually, recommended social protection floors in 2012. An analysis of literature suggests a narrowing of the framework for social security which was and continues to be a feature of the World Bank's stance. In the very basic sense, social protection is a much narrower framework.

Social protection floors which currently form the vision of the social security system seek to ensure at a minimum, that all in need have access to essential healthcare and basic income security over the life cycle. The existing international order has, thus, sought to focus solely on the importance of income security, with minimal cash transfer 'guarantees' in the commodification of human needs. In this sense, there has been an abandonment of the State's commitment to the provision of universal, high quality public services in health, education, and other essential human services in favour of insurance-driven systems. Further, the agenda has been one of focussing on minimalist protections for the poorest and most marginalised rather than on the social, cultural, and economic rights of all citizens as was envisaged in UDHR (1948). What is needed now is a much more comprehensive visualisation of social security that moves outside the realm of economic security to understand that realising social and cultural rights (as identified in UDHR) is also a key to ensuring economic security.

Given the fuzzy nature of the definitions, for the purposes of this monograph, the terms social security and social protection are used interchangeably. The point to underline here is that independent of the terminology used, the definition of social security/social protection must be visualised in the broadest sense including security not only for workers (or the organised sector) but for all individuals against poverty, vulnerability, and systemic and exogenous risks like the COVID-19 pandemic. Moreover, in developing countries in particular it must be viewed largely as pro-poor measures implemented through public means (Sen & Drèze, 1989).

Relevance of Social Security

It has been widely accepted among scholars that there is an urgent need for well-structured and implemented social security mechanisms across the globe (even more so in the developing countries). This acceptance comes from the global experience of persistence of chronic poverty and increasing socioeconomic inequalities during a period of spectacular increases in economic growth in the last few decades. The relevance of social security can be seen in its various roles that are discussed below.

Protective Role

The primary and most widely recognised role of social security is the 'protective' one - the source behind the various concepts of social protection - aimed at providing protection against poverty, destitution, and uncertainties in a globalised world. In particular, the recent COVID-19 pandemic further emphasised social protection mechanisms' protective role against exogenous shocks.

Over the last few decades, rapid economic growth (particularly in India and China) has resulted in rapid growth in the incomes of the poorest half of the global population. However, the incidence of poverty has remained a point of concern. Both income and wealth inequalities have increased since the 1980s within as well as across countries (Alvaredo et al, 2017). According to the Credit Suisse Global Wealth Report (2021), the top 1 per cent owned 43.4 per cent of the world's wealth while adults with less than \$10,000 in wealth held 1.4 per cent of the global wealth even though they constituted 53.6 per cent of the world's population. It was also shown that in 2020, individuals with more than \$100,000 in wealth owned roughly 84 per cent of the global wealth but accounted for only 12.4 per cent of the total world's population. From the perspective of the economy these intensifying inequalities imply a 'squandering of human and economic potential' (Srivastava, 2013) while from a development perspective they imply the growth of a few at the cost of the masses.

The scenario has highlighted the fault lines in the earlier school of thought that assumed that sustained economic growth is the 'magic wand' that

will automatically improve the standard of living of the masses, provide socioeconomic security, and eradicate poverty (Bruno et al., 1995). While economic growth is an important factor, empirically it has been observed that its direct pass through to socio-economic development, poverty alleviation, and inequality reduction is rather weak. This can be attributed to the inability of some population groups to participate in the growth process (Gaiha & Kulkarni, 1998) in an already fractured unequal society in terms of caste, class, religion, and race. The current widening inter- and intra-country divide remains an inherent feature of the capitalistic mode of production, particularly that of monopoly capitalism that thrives on accumulation created through a class divide and exploitation. The need for social protection as a direct measure to assuage the inherent contradictions of capitalism and as an important instrument for equity and social inclusion (UNICEF, 2012) is paramount.

Furthermore, social security has acquired even greater relevance in the context of expanding globalisation which has resulted in an increase in shocks and systematic risks, with the poor bearing a disproportionate brunt of such risks. There has been an increase in economic crises and political disasters. In the short run, social protection has the potential to 'stabilise aggregate demand during periods of economic crisis, contributing to accelerated recovery and more inclusive and sustainable development paths' (Carter et al., 2019).

Shock Responsive Role

Another role that has more recently started receiving more attention with the spread of the COVID-19 pandemic is the 'shock-responsive' role of social protection mechanisms. Social security systems can be used as an effective, efficient, and sustainable delivery mechanism in response to sudden shocks. Through 'established, scalable systems' (Ulrichs & Sabates-Wheeler, 2018), substantial attempts can be made to mitigate or even prevent the impact of a crisis/shock. For instance, already established social protection systems can reduce response time, avoid duplication of responses by agencies, and deliver assistance (particularly in-cash) smoothly and systematically. Such systems also have the potential to support local economies by offering 'choice and dignity' during a sudden

crisis (Carter et al., 2019). The fact that countries with better social security measures could, to a large extent, mitigate the impact of the recent pandemic on their populations, while most others failed terribly, could be traced back to the shock-responsive role of social security systems.

Promoting Growth and Human Development

While scholars seem to unanimously agree that the primary concerns of social security are reducing poverty and vulnerability, they are largely divided on the role of social protection in promoting growth and reducing inequalities. Social protection systems have the potential to directly aid individuals in overcoming the obstacles that restrict their participation in a dynamic socio-economic environment. This in turn results in improvements in human capital in both the short and long-terms thereby ‘stimulating greater productive activities’ and hence, achieving promotion of a stable growth (Srivastava, 2013). Justino (2003) also argues that particularly in developed countries, ‘adequate social policy is an important endogenous factor in the process of socio-political development and economic growth.’ Mathers and Slater (2014), however, argue that ‘the impact of social protection on aggregate economic growth in low-income contexts is likely insignificant,’ possibly due to the relatively low level of social protection spending as well as the marginal share of national income held by the poor people.

Other scholars have shown that besides productivity increases, the redistribution achieved through social protection provisions through its direct and indirect effects including the ‘growth effects of the resulting inequality- are, on average, pro-growth’ (Ostry et al., 2014). In contrast, other empirical studies have shown that there is limited evidence of a positive effect of redistribution of resources or transfers (a form of social protection) on growth or inequalities (Alderman & Yemtsov, 2014). However, the issue remains heavily debated due to paucity of empirical studies analysing the economic impact of social protection investments (OECD, 2019a).

Furthermore , social protection systems are particularly important for human development as they have the potential to contribute to the

realisation of other economic, social, and cultural rights, including the right to education, health, and an adequate standard of living (Sepúlveda et al, 2012). As is pointed out in ILO Advisory Group's report, social protection represents a 'win-win investment that pays off both in the short term, given its effects as a macroeconomic stabiliser, and in the long term, because of its impact on human development and productivity' (Bachelet & ILO, 2012). Thus, owing to the exceeding linkages of social security mechanisms with the growth and development process, the question is not whether nations should have social security programmes but rather what type of policies should be implemented.

Social Security Systems and the Challenges of the Informal Economy

A number of challenges have emerged in the policy discourse with respect to formulation and implementation of comprehensive social security frameworks across countries albeit to varying degrees. The primary challenge has been the increasing 'informality' in the world of work which essentially excludes a major chunk of the workforce from the purview of social security legislations due to either the informal nature of the enterprises or due to the nature of the job itself (casual, part-time, or home-based self-employment).

While the extent of the informal economy varies significantly across countries, the issue has adversely affected the efficacy of the current social security systems across the globe and more so in developing economies. Even in countries with high economic growth like India, an increasing number of workers are in less secure employment; a large chunk of such workers being women. In 2016, 61.2 per cent of the world's employed population worked informally. This proportion was even higher at 69.6 per cent for emerging and developing economies (ILO, 2018). The issue is of particular importance because higher level of informality in developing countries is associated with greater prevalence of unsafe and unhealthy working conditions, lower productivity, irregular incomes, and vulnerability to shocks. It is increasingly recognised now that, 'in addition

to reducing the vulnerability and promoting the income security of workers in the informal economy, social protection can also help to unleash their productive potential and transition to the formal economy' (UN, 2018).

It was once assumed that with economic growth and expansion of employment, the proportion of formal-sector employment (covered by social security) will increase. However, the global growth experience (especially in developing economies) has been fraught with an increasing size of the 'informal sector' vis-à-vis the formal sector, emergence of 'informal jobs' and growing incidences of informalization within the formal sector. These imply forms of employment for which there is no clear employer-employee relationship. A clear relationship is necessary for implementing most labour legislations. Thus, these 'informal workers' are either not covered or covered inadequately through the contributory-social protection mechanisms. Such mechanisms are the cornerstone of social security systems across countries but are by and large restricted to the formal sector governed by labour legislations. In many conceptualisations of informality, an informal worker is identified as one without any or inadequate social security. An increase in the size of the 'informal economy' has, thus, posed severe obstacles in ensuring inclusivity in delivery systems.

The primary obstacle to providing adequate social security coverage lies in the identification of informal workers. The term 'informality' has been widely used in the development discourse but it has been conceptualised and measured in many different ways over the years. This is important because identifying the erstwhile unidentified or invisibles is the first step in bringing them in the ambit of social security laws. ILO has defined informal employment through its various rounds of International Conferences of Labour Statisticians (ICLS) over the last few decades in response to the global transformation of labour market relations.

Initial attempts to conceptualise informal employment was based on defining the informal sector. The 15th ICLS defined employment in the informal sector as including 'all jobs in informal sector enterprises or all persons who, during a given reference period, were employed in at least

one informal sector enterprise, irrespective of their status in employment and whether it was their main or a secondary job.' The informal sector was defined based on an 'enterprise' and 'size of employment approach.' In terms of the 'enterprise approach,' those employed in informal sector enterprises⁵ were considered to be a part of the informal sector. Further, if the size of the enterprise in terms of employment was below a certain threshold, they were considered informal. This threshold was determined by the individual nations.

This approach came under criticism in the early 2000s because it did not use a 'labour approach' to define informal employment. Consequently, those employed outside the informal sector (regardless of the precarity of their work), were excluded from the definition of informal employment. Further, leaving the threshold size of employment to individual countries meant that only large employers were required to adhere to decent work norms including the provision of social security protection (for instance, in India, the threshold was earlier 200 under the Factories Act, 1948 which has now been increased to 300), leaving those working in smaller organisations completely insecure.

Following this, ILO, in its 17th ICLS framework (ILO, 2013) adopted a 'job-based' approach for defining 'informal employment.' The criteria for distinguishing informal jobs were that they must lie outside the framework of regulations. This could be either because: (a) the enterprises in which the jobs were located were too small and/or not registered, or (b) labour legislations did not specifically cover them (such as casual, part-time, temporary, or home-based jobs), or subcontracting arrangements in production chains (Husmanns, 2004). Therefore, the definition took a broader view of the informal labour market considering all 'unprotected' workers in formal as

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5. Informal sector enterprises are private unincorporated or unregistered enterprises owned by households or individuals. These are producing units that are not constituted as a separate legal entity, independently of the household member or members who own it. They do not have a complete set of accounts that would provide a means of identifying flows of income and capital between the enterprise and the owner. Similarly, these enterprises are not registered under specific laws or regulations established by national legislative bodies.

well as informal sectors as informal workers. Accordingly, informal workers are defined as comprising of:

- a) Own-account workers and employers, employed in their own informal sector enterprises, as defined by the 15th ICLS;
- (b) Contributing family members, irrespective of whether they were working in formal or informal sector enterprises;
- (c) Employees with informal jobs in both informal and formal sectors, or as paid domestic workers by households.⁶ Employees were considered to have informal jobs if their employment relationship was, in law or in practice, not subject to national labour legislations, income taxation, social protection, or entitlements to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave);⁷
- (d) Members of informal producers' cooperatives; and
- (e) Own-account workers engaged in the production of goods exclusively for own final use by their households (such as subsistence farming or do-it-yourself construction of own dwellings).

More recent attempts through the 19th ICLS (2013) and the 20th ICLS (2018) nuanced the definition of a 'worker' (both formal and informal) by broadening the definition of 'work' to go beyond the older definitions that were based on pay or profit. Consequently, erstwhile unrecognised categories like unpaid work, platform-based work, and on-demand work were incorporated in the definition of a worker. Such a framework of employment included unpaid employment, internships, volunteer work,

6. Households employing paid domestic workers were considered a sector in itself, separate from the informal sector.

7. Households employing paid domestic workers were considered a sector in itself, separate from the informal sector. The reasons for this could be: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (for example, for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employee's place of work is outside the premises of the employer's enterprise (for example, outworkers without employment contract); or jobs, for which labour regulations are not applied, not enforced, or not complied with for any other reason.

and traineeships. This is expected to help in recognising the significant unpaid work that women and marginalised communities perform. The 20th ICLS resolution also approved other categories of employment that were previously considered difficult to distinguish. These are job categories that take into account traditional employment with a single employer, and self-employment that is based on individualized work. This new category of workers, broadly referred to as 'dependent workers,' does not have complete authority or control over the economic unit for which they work. Thus, it considers the emerging gig-economy, such as work by Uber drivers and online application-based food delivery persons. This modified definition (applicable to both formal or informal work) has profound ramifications for how 'work' is viewed and how these 'unprotected' groups (now identified as 'workers') can be brought within the ambit of an employment-driven social security system. However, most countries including India are yet to incorporate these broad-based definitions in their measurement of informal employment.

Through its various rounds of International Conferences of Labour Statisticians (ICLS), ILO has attempted to make the definition of informal employment more inclusive. However, a major lacuna has been the fact that the operational definitions have been, by and large, left to the individual nations themselves. Though these concepts were deliberately left flexible by ILO to accommodate the varying needs of the countries, it has resulted in not only a lack of international comparability but also several groups being left completely unrecognised in some countries. For example, there are differences in the economic activities covered. At one extreme are countries that cover all kinds of economic activities, including agriculture, while at the other, are countries that cover only manufacturing. Similarly, as per ILO, there is also diversity among countries (and information sources – labour/household/production unit surveys) about inclusion of paid-domestic work in informal employment (ILO, 2013). This reflects a critical obstacle in policy formations for social protection.

Despite various limitations, ILO's definition is considered as the gold standard for defining informality. Any conceptualization of an informal worker/economy is incomplete unless it is based on some notion of decent work. Several scholars have referred to the precarity of informal

employment in their conceptualizations. For example, Miti et al. (2021) define an informal economy as a whole in terms of lack of decent work regardless of the sector of employment. Informal economy workers have two or more characteristics: (1) low and irregular wages; (2) no written contract; (3) no entitlement to annual vacations; and (4) no or inadequate social protection coverage. Correspondingly, Kongtip et al. (2015) identified the following categories of informal workers, particularly in the low- and middle- income countries; (1) sub-contracted workers and/or home-based or self-employed workers engaged in production, (2) service workers in restaurants and as street vendors, waste pickers, and recyclers, massage workers, public motorcycle riders, and cab taxi drivers or domestic workers; and (3) agricultural workers. This, in turn, could be considered to be more comprehensive.

Given the various definitional issues, ILO in 2015, acknowledging informality as a major challenge to ensuring the rights of the workers, adopted a key recommendation (no. 204) that provided key guiding principles to its member nations so as to assist them in transitioning from informal to formal labour markets following a 'collaborative and consultative process involving all stakeholders'. Recommendations were made so that social security, maternity protection, decent working conditions, and minimum wage as per the cost of living in the respective country, could be extended to all the workers, not only under the law but also in practice. However, this has remained a distant dream.

Refugees and Social Protection

The argument for social protection as a basic human right has already been made. Another group that has been often excluded from social security protections are the refugees (and the stateless). This is because provisions of social protection is largely based on citizenship status rather than residency. The issue is, however, quite complex and multi-dimensional. The causes of the rise in refugees in the past decade or so have been manifold - wars, military interventions, violence, exiles, to mention a few. The subject, of course, requires substantive treatment and discussion, which, due to reasons of space cannot be undertaken in this monograph. This has, nonetheless, been briefly highlighted in *Box 1.4*.

Box 1.4: Refugees and Social Protection

At the end of May 2022, more than 100 million people across the world were forcibly displaced due to violence, persecution, war and other human rights violations (UNHCR, 2022). Social protection for refugees have often not been considered to be part of national laws as refugee situations are considered temporary in nature and therefore humanitarian aid is a preferred provision for refugees. However, the average duration of exile for the refugee population in protracted situations⁶ was found to be more than 20 years in 2015 (Devictor & Do, 2017). So, we see a situation where refugees are living in exile for a prolonged period of time and are dependent on humanitarian aid for their daily needs. In such circumstances, it becomes necessary for policy makers across the world to include refugees within the ambit of social protection and ensure them basic human rights at par with the host citizens.

Many countries across the world are now slowly making provisions of social protection to non-nationals including refugee groups as well. The Brazilian government started including non-nationals, including refugees, within the ambit of their social protection schemes in the wake of the 2010 Haiti earthquake. Non-nationals in Brazil have the right to enrol in the Single Registry of Social Programmes and can access the applicable social protection measures including Bolsa Familia, as long as they comply with the general eligibility criteria (Espinoza, et al., 2021). In Turkey, the Law on Foreigners and International Protection of 2013 guarantees refugees access to primary and secondary education, universal healthcare insurance, and other social assistance measures at par with Turkish citizens. The Tripartite Agreement on Labour Market Integration of 2016 of Denmark provides for employment and training for refugees in working age while reducing Danish language requirements for the refugees (Andrade, Sato, & Hammad, 2021). In Iran also, registered refugees have the right to access the universal healthcare system at par with Iranian citizens (Andrade, Sato, & Hammad, 2021). Uganda adopted a new refugee legislation, the Refugees Act 2006 which enshrined the principle of refugee protection. The progressive and unique act promotes self-reliance amongst refugees by allotting land to each refugee household

(contd. ...)

-
6. The UNHCR defines protracted refugee situations as those where more than 25,000 refugees from the same country of origin have been in exile in a given low- or middle-income host country for at least five consecutive years.

(...contd.)

to facilitate economic independence through agricultural livelihoods (Betts et al., 2014).

The story of the modern Indian State starts with that of partition and the ensuing mass migration of people between the two newly formed countries. India has been welcoming hosts to the partition refugees from East and West Pakistan and these groups have now been fully integrated to the Indian society. India has also been welcoming to and provided protection to other refugee groups including Sri Lankan Tamils, Tibetans and Chakmas, which have played a crucial role in their socio-economic development (Raj, 2020). The Government of India and various state governments actively supported the arrival and resettlement of Tibetan refugees since 1959 and granted them land for resettlement colonies across the country (Bhatia et al., 2002). Government of India and the Government of Tamil Nadu provide various welfare schemes, including education and health services to Tamil refugees from Sri Lanka (Valatheeswaran and Rajan, 2011).

India is yet to have a national legislation concerning refugees. While India is not a signatory to the 1951 Geneva Convention Relating to the Status of Refugees or its 1967 Protocol, it has provided some forms of protection to certain refugee groups as mentioned above. However, the same Indian state has often neglected or failed to support other refugee groups like the Rohingyas or Chin refugees from Myanmar, or Hindu and Sikh refugees from Afghanistan and Pakistan (Raj, 2020). As mentioned earlier in this monograph, the effective coverage of social protection in India is very low. It is recommended that while social protection coverage is increased in India, the inclusion of refugees should be an essential part of this effort. Integration of refugees not only ensures basic human rights to them but also has positive economic effect on the host community.

Key Takeaways

1. Different international agencies and scholars have conceptualised the scope of social security and social protection differently. There is no strong watertight analytical distinction between social security and social protection. It seems to more a matter of convention rather than any analytical reasoning.

2. During the last three decades or so, there has been a constriction of the notion of social security. This is particularly evident as ILO has moved from the notion of social security to social protection (in line with the World Bank terminology), eventually recommending the social protection floors in 2012.
3. The existing international order is focused largely on income security, with minimal cash transfer 'guarantees.' Thus, the State's commitment to the provision of universal, high quality public services has been abandoned in favour of insurance-driven systems. Further, the emphasis has been on minimalist protections for the poorest and most marginalised rather than on realisation of the social, cultural, and economic rights of all citizens as was envisaged in UDHR (1948).
4. Independent of the terminology used, the definition of social security/ social protection must be seen in the broadest sense of the term including security not only for workers (or the organised sector) but for all individuals. Moreover, in developing countries, in particular, it must be viewed largely as pro-poor and pro-labour measures implemented through public means.
5. The primary challenge for social security frameworks has been the increasing and persistent 'informality' in the world of work which essentially excludes a major chunk of the workforce from the purview of social security legislations particularly in developing countries.



CONTEMPORARY SOCIAL SECURITY SYSTEMS: A BRIEF MAPPING

The importance of social protection came to the fore after the pronounced shock the world experienced due to the COVID-19 pandemic. Its disproportionate effect on the already marginalized and vulnerable showed the gravity of the situation and lay bare the abysmal state of the social protection infrastructure across the world. It also became apparent during the pandemic that access to sickness and unemployment benefits was insufficient at the global level. The crisis, also, exposed the pronounced deep-seated inequalities in comprehensiveness, coverage, and adequacy of social protection systems, particularly in developing countries with large informal sectors. While countries with already existing effective social security systems (high income countries) could provide better buffers to their vulnerable populations, most others failed miserably. As mentioned earlier, inadequacies of the social security systems exacerbated the health crisis, leading to significant divergences across the globe in terms of recovery, impact on hunger, poverty and deprivation. In this sense, the COVID-19 crisis highlighted the underlying systemic issues in social security across the globe.

This chapter presents a bird's eye view of the coverage of social security systems across the globe. It also details and analyses the social protection systems in four countries - India, Brazil, China, and Germany. It focuses on the nine standard branches of the social security system as specified in the Social Security (Minimum Standards) Convention, 1952 (No. 102) of ILO: (i) healthcare, (ii) sickness, (iii) old age, (iv) unemployment, (v) employment injury, (vi) family and child support, (vii) maternity, (viii) disability, and (ix) survivors and orphans. For healthcare, it considers universal health coverage.

Global Social Protection Coverage: An Overview

Over the last few decades, there have been noteworthy improvements in the development of social protection systems. Most of the nations have certain schemes backed by national legislations to provide some form of

social security. But the expansion of social security coverage has been quite unequal across nations, resulting in low coverage rates particularly in the global South (*Box 2.1*).

The SDG goal of ensuring social protection systems *for all by 2030* specifies the indicator 1.3.1. The indicator⁸ reflects the proportion of persons effectively covered by a social protection system including social protection floors. It also reflects the main components of social protection: child and maternity benefits, support for persons without a job, persons

Box 2.1: Effective coverage of social security across regions

As per the World Social Protection Report 2020–22, of the total global population, 53.1 per cent or roughly 4 billion people were not covered under any social protection benefits excluding healthcare and sickness benefits specified under the Sustainable Development Goal (SDG) indicator 1.3.1 while 46.9 per cent were covered by at least one social protection benefit. There were also considerable variations in the coverage of social security across and within regions. On one end of the coverage rate spectrum stood Europe and Central Asia (83.9 per cent) and the Americas (64.3 per cent) with rates much higher than the global average while on the other end were Asia and the Pacific (44.1 per cent), the Arab States (40.0 per cent), and Africa (17.4 per cent) with lower than global coverage rates (Table 2.1). Moreover, only a small proportion (30.6 per cent) of the world's population was found to be legally covered by a comprehensive social security system including the entire set of benefits ranging from child and family benefits to old age schemes. The gender gap was superimposed on an already inadequate social security system with female coverage being less than male coverage by 8 percentage points.

This low coverage rate can be traced back to under-investments in social security by countries especially African, Arab, and Asian countries. The lower middle income and low-income countries spent 2.5 and 1.1 per cent of their GDP respectively on social security. This is markedly low when compared to both higher income nations (16.4 per cent) and upper middle-income countries (8 per cent) as well as the global average of 12.9 per cent.

8. <https://sdg.tracking-progress.org/indicator/1-3-1-proportion-of-population-covered-by-social-insurance-programs-2/>.

with disabilities, victims of work injuries, and older persons. *Table 2.1* provides region-wise estimates of effective social protection coverage for specific aspects within SDG 1.3.1. Substantial differences across regions can be observed.

Pensions for the elderly is the most widely implemented measure of ensuring security and a key indicator of achieving the target of protection for all. Almost the entire elderly population in Europe and Central Asia

Table 2.1: SDG indicator 1.3.1: Effective social protection coverage (2020 or latest available year)

SDG Indicator 1.3.1	Coverage Rate					
Particulars	Europe and Central Asia	Asia and the Pacific	Arab States	Americas	Africa	World
Vulnerable persons covered by social assistance	64.4	25.3	32.2	36.7	9.3	28.9
Older persons	96.7	73.5	24.0	88.1	27.1	77.5
Unemployed	51.3	14.0	8.7	16.4	5.3	18.6
Workers in case of work injury	75.5	24.8	63.5	57.4	18.4	35.4
Persons with severe disabilities	86.0	21.6	7.2	71.8	9.3	33.5
Mothers with new-borns	83.6	45.9	12.2	51.9	14.9	44.9
Children	82.3	18.0	15.4	57.4	12.6	26.4
Population covered by at least one social protection benefit	83.9	44.1	40.0	64.3	17.4	46.9

Source: World Social Protection database, World Social Protection Report (2020–22).

(96.7 per cent) benefits from social security schemes whereas Africa covers only 27.1 per cent of the elderly under its protection programme. At the global level, 77.5 per cent of the older population receives some form of old age pension.

With respect to children, a large proportion have been left without any coverage. Only 26.4 per cent children and 44.9 per cent mothers with new-borns receive benefits under social security worldwide. The figures are even lower for African nations at 12.6 per cent and 14.9 per cent respectively.

Only about a third of the people with severe disabilities are covered by one or the other disability benefit worldwide. In case of African and Arab States, the proportion of people with disabilities receiving benefits is dismal, at only 9.3 per cent and 7.2 per cent respectively.

Similarly, the coverage rate for work injury is also low - only 35.4 per cent of the global population. This is again low in most parts of the world, especially African countries. However, the Arab States, which perform poorly on most of the social protection indicators, provide 63.5 per cent of their workers with work injury benefits.

Protection for the unemployed has remained the least tapped form of social security with only 18.6 per cent of the unemployed receiving some form of unemployment benefit at the global level. There are also significant inter-regional differences. Africa was the worst performer, with only 5.3 per cent of the unemployed being covered. Europe and Central Asia, which have better coverage rates for other aspects of SDG 1.3.1 also lag behind in providing coverage to the unemployed. Just over half of their out of work population (51.3 per cent) are covered under the schemes.

Over the last few decades, the prominence of social security has increased manifesting in various public and private schemes worldwide and these indicators have seen improvements to a certain extent though effective coverage has remained inadequate, plagued with inequities and remains far from reaching the goal of protection for all by 2030.

A Brief Overview of Current Social Security Systems: Brazil, India, China, and Germany

This section gives a brief overview of the current social security systems in four G20 countries - Germany, China, Brazil, and India. Due to issues of space and the mandate of this monograph, the discussion is restricted to

the prevailing social security laws in each country and does not include temporary relief offered during COVID-19 or a detailed discussion of the evolution of such policies.

In terms of economic progress and human development, the four countries provide a wide spectrum. China and India are developing countries with the fastest growing economies in the world despite the recent slowdown in their growth. Pre-pandemic (in 2018), India and China both recorded a spectacular rate of GDP growth to the tune of 6.5 per cent, while Germany and Brazil stood at considerably lower figures of 1.1 per cent and 1.8 per cent respectively. The GDP per capita, PPP (constant 2017 international \$) in 2019 as per the World Bank was recorded as follows - for Germany, it was 53,930 (categorised as a high-income country); followed by China at 15,978 and Brazil at 14,736 (categorised as upper middle-income countries) and India was at 6,689, being categorised as a lower middle-income country. The gap is even more pronounced when one looks at the HDI rankings. UNDP (2019) ranked India 129 out of 189 countries, failing miserably in comparison to Germany (4th), Brazil (79th), and China (85th) in 2019.

These four countries were chosen not only due to the differences in their per capita income levels and developmental progress but also due to their different economic systems, labour market characteristics, and varying forms (as well as coverage) of their social security systems. The countries also have very different histories. Latin American countries like Brazil embarked on industrial work much earlier than South Asian countries like India and China. China was a socialist country at least in a backward sense that had transformed itself into a socialist market economy with the introduction of major reforms in the 1990s. Germany, on the other hand, is a social democracy which imbibes some features of socialism within a capitalistic framework and has been deemed a 'welfare state' being a pioneer of social insurance policies in the world. Finally, India with its mixed-economy model at independence, has been transitioning towards a capitalistic structure.

In terms of progress on social protection, Brazil and Germany have ratified the ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102), China and India have not. With regard to performance, at the outset, it

is evident that India has performed considerably worse than others as evident from the rankings as per the 2020 Global Social Mobility Index (Box 2.2).

Box 2.2: Social Protection scores – India, China, Germany and Brazil

The Global Social Mobility Index (2020)⁹ with one of its key pillars as social protection, ranked India at 76th position (out of 82 countries). For social protection, India's score was only 26 as compared to the global average of 58.2 (out of 100). Though China was also given a score below average, it was better than India at 50.3. Brazil had a score (59.2) slightly above the global average while Germany had a score of 85.4 making it one of the best countries in the world in terms of social protection.

Another key aspect of social security is pension. On this front too, India's position remains considerably worse compared to the other countries under consideration. In the 2021 Mercer CFS Global Protection Index, India stood at the 40th position out of 43 countries. Germany, on the other hand, was ranked 11th. While China did considerably worse in terms of overall social protection, it performed better on the pension front – China and Brazil stood at the 28th and 30th positions respectively.

Given this scenario, it is clear that there is a need for strategic reforms for revamping the social security system in India. The juxtaposition of national social protection systems from such economically and developmentally diverse countries can help determine a suitable path for conceptualising and expanding social protection coverage in India.

India

The Directive Principles of State Policy in the Indian Constitution provide that 'The State shall, within the limits of its economic capacity and development make effective provision for securing the right to work, to

9. The World Economic Forum's Global Social Mobility Index focuses on the drivers of relative social mobility instead of outcomes. It uses 10 pillars, which in turn are broken down into five determinants of social mobility.

education and public assistance, in cases of unemployment, old age, sickness and disablement and in other cases of underserved want.’ Thus, several legislations have been enacted to provide some basic social security specified in the Directive Principles.

Through years of debates and discussions the term social security has been conceptualised in a much broader fashion in India incorporating three primary roles – ‘protective,’ ‘promotional,’ and ‘preventative.’ In its *promotional role*, it seeks to augment incomes particularly of the vulnerable. For example, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In its *preventative role*, social security has been envisioned to provide a buffer in periods of economic distress through mandated PF, for instance. In its *protective* role it seeks to provide a buffer in the event of an external shock (injury or death of a breadwinner) through several insurance schemes. Social security should essentially be visualised as a *pro-poor* measure (Sen & Drèze, 1989) including a plethora of instruments like social assistance, social insurance, social protection, a social safety net, and micro-insurance (Majumdar & Borbora, 2013).

India has had a long history of social security (in the narrowest sense of the term) *legislations* as well as welfare schemes at the state and central levels for workers to provide support against vulnerabilities during their life cycle. The major legislations include the Employees’ Compensation Act (1923), the Maternity Benefit Act (1961), and the Payment of Gratuity Act (1972). However, in practice these schemes are restricted to formal workers in the organised sector¹⁰. Several laws have also been enacted to cater to the needs of workers in specific industries/sectors that were outside the purview of the laws. These include the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare (Cess) Act (1976), the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act (1976), the Beedi Workers Welfare Cess Act (1976), the Beedi Workers Welfare Fund Act (1976), the Cine Workers Welfare Fund Act (1981), and the Building and Other Construction Workers Cess Act (1996). It was also recognised that the existing legal framework was insufficient for providing any protection to the workers in the unorganized sector which resulted in the enactment of the Unorganised Workers’ Social Security Act

10. https://www.ilo.org/newdelhi/whatwedo/projects/WCMS_409766/lang-en/index.htm.

(2008). A plethora of laws resulted in issues with compliances and hence, have now been subsumed under the Social Security Code 2020.

This chapter provides a basic overview of the more generic social security schemes that are not dependent on employment in the formal sector. This is because the size of the formal sector in India is very small and there is increased evidence of informality even within the formal sector (Jha & Kumar, 2020). Some of these major social protection schemes in the country have been grouped under different heads corresponding to ILO's definition of social security. These include: (1) Old age pension schemes, (2) Insurance schemes (health/accidental/life), (3) Maternity related schemes, (4) Support schemes for vulnerable groups (5), Family benefit schemes, and (5) Healthcare schemes. Some aim to provide long-term protection against old age or sudden death of the breadwinner, while others provide income support against sudden shocks such as loss of employment, a health crisis, or accident to those in the unorganised sector (Accountability Initiative, 2020) that have traditionally remained at risk in the Indian labour market. A brief overview of the specific schemes under these heads is provided in Annexure 1.

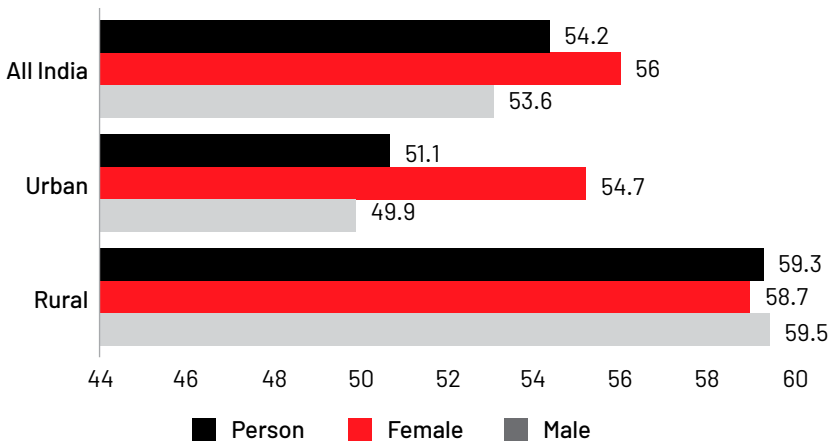
Within these broad groups, there are three sets of schemes. First, those that fall outside the purview of the Unorganized Workers' Social Security Act (2008) but can provide social security to informal workers. For instance, the Atal Pension Yojana (APY), the Pradhan Mantri Shram Yogi Maandhan (PM-SYM), and the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN). Second, a set of schemes that are designed not specifically for workers but for all economically disadvantaged groups. They aim to provide protection against sudden socioeconomic distress to all. They are essentially components of social security in a broader sense, including not only pension schemes but also schemes aimed at providing livelihood security (through the Mahatma Gandhi National Rural Employment Guarantee Scheme), food security (through PDS), and protecting vulnerable groups in society (like widows and persons with disabilities).

Though social security has not yet been recognized as a fundamental right in the Constitution, its importance for the nation was highlighted in the 12th Five Year Plan. It was identified as a basic human right and deemed essential for achieving the various developmental objectives. What is

surprising then, is that despite recognising the need for social security in theory, India has still not ratified the ILO convention - Social Security (Minimum Standards) Convention, 1952 (No. 102). Further, despite the huge legal social security infrastructure (legislations and welfare schemes) social security's coverage in India progressed slowly during the neoliberal regime and it remained largely inadequate even before the pandemic. It has now been recognised as an important fault line that led to severe deterioration in the conditions of the vulnerable groups during the COVID-19 crisis.

When social security is defined in a narrow sense as including PF¹¹ / pension, healthcare, gratuity, and maternity benefits only, in 2019-20 (PLFS), the percentage of regular wage/salaried¹² employees *not eligible*

Figure 2.1: Percentage of regular wage/salaried employees by usual status who did not have any social security benefit, 2019-20 (in per cent)



Source: Periodic Labour Force Survey (PLFS)

11. The term Provident Fund (PF) included General Provident Fund, Contributory Provident Fund, Public Provident Fund, and Employees Provident Fund.

12. These were persons who worked in others' farm or non-farm enterprises (both household and non-household) and, in return, received salary or wages on a regular basis (that is, not on the basis of daily or periodic renewal of the work contract). This category included not only persons getting time wage but also persons receiving piece wage or salary and paid apprentices, both full time and part-time.

for any social security benefit was 54.2 per cent; for females the figure was even higher (56 per cent) vis-à-vis males (53.6 per cent) (Figure 2.1). It is essential to highlight here that during the same period, only 22.9 per cent of those employed were categorised as regular wage/salaried employed. The largest proportion of workers was self-employed (53.5 per cent) who were largely outside the ambit of social security laws.

Moreover, the social security coverage was lower in rural areas as compared to urban areas. As a percentage of the regular/salaried workers, 59.3 per cent in the rural areas did not have access to any social security benefits as compared to roughly 50 per cent in urban areas. The difference can be seen across genders as well as between rural and urban areas in Figure 2.1.

Coverage of the regular wage/salaried workers has also suffered a decline within a short span of three years since 2017-18. The percentage of regular wage/salaried employees *not eligible* for any social security increased from 49.6 per cent in 2017-18 to 51.9 per cent in 2018-19, and further to 54.2 per cent in 2019-20. At the same time, the proportion of those employed as regular wage/salaried workers remained stagnant (22.8 per cent in 2017-18). Thus, an already abysmal coverage of the social security system in India deteriorated further.

A critical challenge that has loomed large over effective social security coverage in India has been the presence of a large size of the informal sector (discussed in Chapter four). Kannan and Breman (2013) had shown that about 80 per cent of the informal sector workers belonged to poor and vulnerable households. Not only did they receive low wages (absence of contracts, non-implementation of minimum wage laws, and low bargaining power) but they also faced deplorable conditions of employment, lacking basic amenities. The incidence of informal work was also higher among already marginalised groups – women, Scheduled Castes (SCs), and Scheduled Tribes (STs).

Further, in 2018-19 only 16 per cent of the informal workers were employed as regular/salaried workers; a majority of them were self-employed (58 per cent) particularly as own-account workers (41 per cent of the total), followed by casual labourers (26 per cent). This shows that the informal economy has had little or no access to basic social security

coverage despite the implementation of the Unorganised Workers' Social Security Act (2008). The primary obstacle in covering those in informal employment stems from issues with their identification and fragmented administrative and delivery systems. While schemes are administered by different ministries or governments (state and central), there does not, till date, exist a unified database for those in informal employment. Up-to-date registrations are essential for workers in the informal economy because of the absence of traditional employer-employee relationships (or a fixed place of work as in the case of circular migrants) making the provision of social security an arduous task as most of the current social security provisions are applicable to those workers who have a clear employer-employee relationship. In India, during 2019-20, 67.3 per cent of the regular/salaried employees did not have any written job contracts (PLFS). This situation can be expected to be worse for casual workers. The specific ways in which the informal economy has been difficult to cover though existing policies are discussed in detail in Chapter 3.

The Code on Social Security was enacted in 2020. The code subsumed 10 existing labour laws pertaining to social security along with all the welfare schemes under the Unorganised Workers' Social Security Act (2008). Several schemes which are broader in coverage (and hence cover the informal economy) remained outside the code (Schemes 9-21 in Annexure 1) but are still operational. The code was lauded for its comprehensiveness as it explicitly focuses on extending the coverage of social security specifically to unorganised workers and also new forms of labour emerging during industrial revolution 4.0 (gig and platform workers like delivery personnel and for-hire drivers). In its mandate, the code aims to 'ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed' for all these workers through both state and centre-level schemes. However, the code is severely lacking in terms of specifying the scope, nature, funding mechanism, or minimum social security benefits. Some of these are discussed in the next chapter. What remains to be seen now is if and how the code is able to improve the coverage and restructure the social security system in any comprehensive way.

Brazil

The Brazilian Constitution explicitly recognises the role of the State in ensuring social rights in the domain of social security for all its citizens in addition to areas of education, health, and labour. Over the years the social security system in the country has developed through myriad socioeconomic policies targeted at alleviating poverty and reducing hunger, inequalities, and social exclusion. The social protection network is visualised as broadly having three pillars: (a) a non-contributory system (social assistance); (b) a contribution-based social security system; and (c) health policies (Robles & Mirosevic, 2014). The primary objective of the social protection system has been to guarantee a basic standard of living to all households along with some income stability.

Brazil has a complex network of overlapping programmes. Building on Souza et al.'s (2021) work, this study classifies Brazilian social protection into eight groups: (i) *Guaranteed minimum income (Bolsa Família and BPC)*; (ii) *Government-paid labour incentives (like salary bonus)*; (iii) *Employer-paid labour incentives (minimum wage, Christmas bonus, and transportation vouchers)*; (iv) *Government-paid worker leave benefits (maternity and paternity leave, sick leave, injury pay, and inmate family support)*; (v) *Employer-paid worker leave benefits (like paid vacation with vacation bonus)*; (vi) *Government-paid insurance (unemployment insurance and Garantia Safra)*; and (vii) *Employer-paid insurance (like FGTS)*. In addition, it also includes (viii) *Retirement schemes (rural pensions for rural workers)*. Some of the major programmes are described in Annexure 2. This monograph focusses primarily on the first two pillars of social protection in Brazil due to reasons of space as a detailed assessment of health policies would be an exercise unto itself.

Brazil has been lauded for its non-contributory social protection programmes, particularly the cash transfer scheme, government paid-insurance scheme, and the government paid labour incentives. Barring the unemployment insurance scheme, all the programmes directly target the low-income population directly reducing their risks and vulnerabilities.

Among the cash transfer programmes, three are particularly noteworthy as they provide direct protection to vulnerable groups (extremely poor,

women, retired rural informal workers, the disabled, and the unemployed). These programmes include the *Bolsa Família*, BPC (continuing benefit payments) and the *rural pension for rural workers'* programme. The *Bolsa Família* is multi-sector programme which provides a conditional transfer to a household classified as extremely poor (US\$16.90, using the 2020 exchange rates). The transfer is contingent on compliance with pre-natal care for pregnant women, participation in educational activities pertaining to breastfeeding and healthy eating for nursing mothers, complete immunisation of children in the age group of 0-7 years, health monitoring of women in the age group of 14-44 years, and minimum 85 per cent school attendance for children between 6-15 years (for teenagers in the age group of 16-17 years, the corresponding minimum is 75 per cent). Though the problems of any conditional transfer programmes (such as monitoring and targeting) persist, the programme seeks to achieve broader socioeconomic objectives of health and education (Robles & Mirosevic, 2014), in addition to providing guaranteed income support thereby providing overarching security to those living in abject poverty.

The BPC programme provides income support to the elderly (65 years+) and the disabled of any age wherein gross monthly family income per capita is less than 25 per cent of the current minimum wage. In addition, the semi-contribution based rural pension scheme was also implemented to deliver a pension equivalent to the current minimum wage derived from the constitutional right to ensure equal treatment for rural and urban workers. BPC and the rural pension schemes have contributed significantly to poverty alleviation among the people in the 65+ age group (Robles & Mirosevic, 2014).

Lower income households are also aided through the *salary bonus* programme paid through public funds. This is an income support programme for those *formal* workers who receive low wages (less than or equal to twice the minimum wage) wherein a lumpsum amount is provided each year to ensure a minimum standard of living. In addition, non-contributory insurance schemes are also set up by the government. Of particular note, are the *unemployment insurance* and *Garantia Safrá* (Annexure 2). They provide temporary financial assistance to involuntarily

dismissed formal workers and poor and vulnerable smallholder farmers in the drought-prone regions in Brazil respectively.

There are also some significant contribution-based schemes like FGTS, which provides for a ready fund developed through mandated savings for *formal* workers in the event of life cycle shocks that may include termination without cause, illnesses and accidents, and retirement.

With respect to health, a unified public health system, called the *Sistema Único de Saúde (SUS)* (single health system) exists. Although Brazil has a mixed system of accessing and financing healthcare (public and private), SUS seeks to provide comprehensive, universal, and free healthcare services. However, the system faces a number of challenges with regard to the quality of services particularly to the poorest and most vulnerable groups of the population.

In terms of coverage, these schemes have provided benefits to millions of vulnerable individuals. In 2019, the largest scheme *Bolsa Família* covered roughly 41 million people through the transfer of an amount equivalent to 0.5 per cent of the then GDP while BPC provided benefits to 4.6 million individuals (Souza et al., 2021). It has also been estimated that about half the formal workers received lumpsum support through the salary bonus programme in 2017 for which the State incurred an expenditure of 0.2 per cent of the then GDP. Unemployment insurance has also been a very favourable scheme.

While it is apparent that in conceptualisation and spending, the social protection system (as evidenced by the positive impact on the socioeconomic indicators) in Brazil is exemplary, there remain coverage and adequacy gaps. These gaps primarily arise from the fact that most of the programmes (other than the cash transfer programmes that target low-income households) are restricted to formal workers only (Annexure 2) like the government/employer paid leave benefits, minimum wages, and FGTS. This is particularly important because as per the data released by Brazilian Institute of Geography and Statistics (IBGE), in the beginning of 2020, 38 million of the country's workforce was in the informal economy (Nogueira et al, 2020). Souza et al. (2021) argue that this rate is even higher when currently unemployed informal workers and the lowest percentiles

of income distribution are considered. Thus, the most deprived workers have been primarily left outside of the ambit of the system. For instance, while there does exist non-contributory unemployment insurance for formal workers, no such scheme has been put in place for informal workers even though these workers are more likely to be dismissed involuntarily. Another major issue that plagues the social protection system (like India) is the predominance of targeted policies, which often result in the exclusion of vulnerable, at-risk individuals. It has, thus, been argued that a revamping of the Brazilian social security network towards social protection floors or universal basic income is of utmost importance.

China

The Chinese economic model of development, often termed 'Socialism with Chinese Characteristics' has witnessed a growing economy with substantial improvements in the basic human development parameters. However, no official concept of social security has been introduced in the country (Dong & Cui, 2010). According to the China's White Book of Social Security, the term, 'has been used to include 'social insurance, social assistance, social welfare, veterans' benefits, housing security, etc.' (State Council of the People's Republic of China, 2004).

China's social security system has undergone multiple reforms, most of which occurred during the late 1990s. In 1993, as part of the agenda to construct a socialist market economy in China, the government introduced corresponding reforms in the social security system making it *both multi-tiered and multi-participatory* (Dong & Cui, 2010). The system was (and still is) *multi-participatory* in the sense that the government, the employers, and the employees are all responsible for the funding process of social security provisions. Further, the system continues to be *multi-tiered*, composed broadly of two components: (a) social insurance, and (b) social assistance programmes. Social insurance covers risks to individuals related to work and otherwise, the latter is a means of ensuring that the basic needs of poor marginalised individuals are met (Dong, 2008). If the target groups are clubbed, two major groups which require social security can be classified as a self-sufficient labour force and the dependent population. For the former, security provisions include medical, unemployment, and old age

benefits for which an individual needs to contribute a part or whole of his/her own salary (social insurance category). The dependent population, which earns less than sufficient income, is deemed as the responsibility of the government for provision of security (social assistance category). The contemporary social insurance system in the country includes the Enterprise Employee Scheme, Basic Pension Insurance, Unemployment Insurance, Employment Injury Insurance, and Maternity Insurance in cash and a basic medical insurance (see Annexure 3).

During the restructuring of the state-owned enterprises (SOEs) as part of the creation of a socialist market economy, the erstwhile social security policies, particularly the pension systems were weakened substantially (Dong & Cui, 2010). Since the SOEs could no longer bear the cost of retirees, the Enterprise Employees' Basic Pension Insurance (1997) was introduced to cover all staff and retirees. Till the early 2000s, the State had only established a pension system for *urban workers*. It was only in 2009 and in 2011 that the government launched a new contributory pension scheme – social insurance for rural and urban areas respectively (for age 16 and above) to ensure fulfilment of basic needs of rural residents once they reached old age. These were, however, merged in 2014 as the *basic pension insurance system for non-working urban and rural residents*. Lixiong (2018) argues that the number of people covered by the system increased consistently from 483.7 million to 508.5 million between 2012 and 2016. This was a contributory scheme with an individual premium (chosen by the individual) and commensurate subsidies shared between central and local governments (Zhang et al., 2019). Thus, in 2016, China had a two-tier pension system including a basic pension and a mandatory employee contribution to a second-tier pension plan (OECD, 2017).

Another key pillar of social security in China is unemployment insurance (1999). It was adopted as a reform in the SOEs which led to huge job losses during the late 1990s. The staff in both public as well as private enterprises are covered under the scheme. For health insurance, it is mandatory for the urban employed to enrol in a contributory medical insurance scheme. The other residents, however, can enrol in the Urban Resident Basic Medical Insurance, which is funded jointly by the local and central governments through individual premium subsidies. It was introduced in 2007 to cover

individuals with informal jobs, self-employed, children, and the elderly. A voluntary Newly Cooperative Medical Scheme was also introduced in 2003 for rural residents. The Urban Resident Basic Medical Insurance and the Cooperative Medical Scheme were later merged in 2016 (Tikkanen et al., 2020).

On the whole, there are three important specificities of the insurance model in China. Firstly, it is contributory, that is, the social insurance fund consists of payments from both the insured employees and their employers (individuals do not pay for work injury insurance and maternity insurance). When funds are lacking, the government supports it. Secondly, there is evident diversification of fund management modes. Work injury insurance, maternity insurance, and unemployment insurance adopt a pay-as-you-go system, while basic pension insurance and basic medical insurance adopt a combination of social pooling and individual accounts. The latter is a hybrid mode combining the pay-as-you-go system and the fund system. The specific methods of 'pooling and accounting' between basic medical insurance and basic endowment insurance are different. The services are rendered by society. It is clarified that social insurance should be organised and implemented by the government in accordance with the law, handled by the social insurance agency in detail, with cooperation from the employer. Thirdly, the social security system provides multiple levels of protection in China. The basic risk protection system for employees is composed of social insurance and various supplementary protections such as occupational annuities and commercial insurance, among which the social insurance benefits are positioned as a fundamental guarantee.

While the system is a step in the right direction, the social insurance schemes are employment-based, earnings-related programmes and are by and large restricted to traditional forms of employment, leaving those in informal jobs outside the purview of the basic contributory schemes. Additionally, it has been asserted that though China achieved universal health insurance coverage through its three public insurance schemes in 2011 (Tikkanen et al., 2020), there are significant rural-urban differences largely due to institutional constraints – the household registration system or the *hukou* system (Song & Smith, 2019). The *hukou* system links the health insurance policies of the people to the place/land they were born

in. Significant differences between urban and rural *hukou* holders exist because the *hukou* system 'differentiates opportunity structures for all Chinese by giving priority to urban *hukou* holders in almost every sphere, including education, job opportunities housing, health insurance and other social services and provisions' (Song & Smith, 2019). This has had a profound effect of exclusion of millions of migrant workers from social entitlements associated with the urban *hukou* system because eligibility is not tied to their place of work/present residence (Finch, 2013) resulting in their marginalisation in the urban areas.

The rural-urban divide and the formal-informal worker divide is further deepened by the fact that while health insurance is mandatory for urban employees, it is voluntary for rural residents as well as those in informal employment and self-employment in urban areas.

The second de facto component of social security in China is social *assistance (or social safety net) schemes*. Some key schemes are given in Annexure 3. They include cash transfers, in-kind programmes, and category assistance programmes. The category assistance programmes seek to provide assistance for *specific socially disadvantaged groups like the elderly, disabled, and needy children*.

The most prominent social assistance programme is the non-contributory minimum livelihood guarantee programme, separately for rural and urban areas, called *dibao*. It was introduced in 1993 for those in urban Shanghai who were rendered unemployed as the economy was transitioning from a planned to a market-based one. It was later extended to the entire urban area in China (1999) but rural residents were incorporated much later in 2007 under pressure from local governments. *Dibao* is a means-tested programme, wherein families below the official *dibao* line (poverty line) are entitled to a cash compensation. Since the poverty line determination (basis standard of living, necessary costs like clothing, food, transport and housing as well as the local financial situation) and the policy implementation is left to local government, there are substantial gaps in official poverty lines (Lixiong, 2018) resulting in inherent inequalities in the assistance provided. The *dibao* line has also been criticised for being restrictive in terms of coverage and it has been argued that it should include more communication and transportation costs.

The State also has in-kind assistance programmes since the 2000s. These seek to reduce the risk of impoverishment, brought on by the rapid increase in the housing problem (due to housing marketisation), education and medical spending as the economy became more market based. The schemes are means-tested (mainly dibao and low-income families). Key national-level schemes include Medicaid (2005), housing assistance (2012), temporary assistance (2014), and educational assistance (2014) (See Annexure 3).

The category assistance programmes for socially disadvantaged groups broadly include the basic pension insurance scheme, needy children assistance (2016), and disabilities assistance (2015). These are, however, relatively newer developments in the Chinese social assistance programmes. The needy children assistance scheme covers 'all children who have difficulties in livelihood, medical care and schooling due to family poverty, or have difficulties in rehabilitation, care, nursing, and social integration due to their own disabilities and children whose personal safety is threatened or infringed upon due to lack of family custody or improper custody' (Lixiong, 2018). The disability assistance programme was the first national subsidy scheme for the disabled. This was also substantiated in 2018 with a rehabilitation assistance programme for 'operations, assistive devices and rehabilitation training for children with disabilities' (Lixiong, 2018).

An analysis of the social security programmes suggests that while the country has taken positive strides in improving the former fragmented system under the planned economy thereby increasing coverage and maintaining social stability, further improvements are required in terms of fairness and inclusiveness (Lixiong, 2018). A large neglected group remains – the migrant workers. Thus, there is a call to promote equal rights for local residents and migrant workers. Additionally, with an ageing population, there is expected to be an increase in the pressure on old-age pension and medical care expenditures. There is also an urgent need to address the rural-urban stratification caused by the nature of the social security policies in the country. Another key area of concern is changing employment forms; the number of non-state-owned businesses have increased in the market economy with more people now being employed in flexible jobs. This, in turn, calls for a change in the Chinese social insurance

system that largely covers only formal employment in public and private enterprises rendering the informally employed outside the ambit of work-related social security measures. Lastly, the social-assistance programmes in China are primarily based on targeted policies which have resulted in greater pilferage, corruption, and large exclusion errors. Consequently, the system has remained far from extensive and necessitates further reforms for creating long-term systems for a sustainable and far-reaching social security system.

Germany

The evolution of the German social security system can be traced back to the late 19th century when Germany pioneered the social security domain through the first of its kind social insurance system. The contributory social insurance scheme formed, and continues to form, the bedrock of Germany's early attempts at social security. The Bismarckian 1883 Sickness Insurance Law was a contributory scheme (employer and employee) to provide both medical care and cash benefits during periods of sickness for employees in specified industries. This was followed by a mandatory Accidental Insurance Scheme (1884) and the Invalidity and Pension Scheme (1889). The pension scheme was established for all workers in trade, industry, and agriculture. Coupled with the Survivors Insurance (1911) and the Unemployment Insurance introduced in 1927, the country had a complete system of social security based on the social insurance model in place by the first half of the 20th century. Gradually, through a series of new laws, more individuals were brought under the purview of the social insurance system. Social security benefits were also expanded, particularly post the 1990s and long-term insurance (1995), health insurance (2009), and maternity insurance were introduced in 2017. The long-term care insurance provides security if someone needs care in old age, an accident, or illness. Since 1995, everyone in the country is required to contribute to long term insurance. The insurance-based model was (and is still) also supplemented by income-tested social assistance for the needy (discussed later).

Labour market reforms (termed as Hartz reforms) introduced in the early 2000s were crucial in shaping the present German social security system

as they sought to address the issues of the changing world of work. For instance, during the first phase of the reforms (Hartz I) in 2002, attempts were made to broaden the vision of a *typical employment* through changes in the education system so that vocational majors could be recognised by the German Employment Agency. Another major step was the introduction of social support in the form of basic unemployment allowance. This was followed by the introduction of two additional types of employment contracts (*mini-job* and *mid-job*) in 2003, which set up a spectrum of employment (Matei & Tudose, 2014). On one end were mini-jobs, who were exempt from taxes and social security contributions and on the other, were full-time employees. The latter were mandated to make social contributions such as to unemployment, healthcare, and long-term care insurance as well as income tax payments. Somewhere in the middle, lay the newly introduced *mid-jobs* who was visualised as marginal or transitional employees and these people were required to pay tax and make social contributions on a *sliding scale*. The objective behind the scale was protecting individuals whose incomes lay just above insurance-free jobs from excessive tax burdens that could push their net-incomes below that of a *mini-job*.

However, the Hartz reforms or the labour market reforms since the 1990s in general, also represented a decline in the degree of income protection and maintaining occupational status as well as intensification of a dualism in the labour market, that is, between the short-term unemployed and the long term unemployed (Seeleib-Kaiser, 2016). In 2003-04, the maximum duration of unemployment insurance was reduced from 32 to 18 months with regular benefits being limited to 12 months. Additionally, Hartz IV (2005) merged the erstwhile earnings-related and means-tested unemployment assistance with the social assistance programme for the unemployed. Consequently, while the short-term unemployed workers continued to receive an earnings-related generous insurance benefit (60 and 67 per cent of their previous net income), the long-term unemployed (unemployment spells of more than 12 months or those who did not qualify for insurance benefits) were only entitled to a means-tested transfer at the level of social assistance and, thus, suffered severe cuts. Seeleib-Kaiser (2016) argues that the resulting reduction in the net replacement rate for the long-term unemployed was substantial, from 54 per cent to 17 per cent.

Within the broader system, family benefit policies formed a critical pillar and have largely been expanded since the late 1980s. Several reforms were introduced in the 1990s such as parental leave (for maximum three years), child-credits in the statutory pension scheme, entitlement to days off from work to care for dependent sick children, and entitlement to publicly provided or subsidised childcare for children in the 3-6 years age group. Gradually, a set of major transformative reforms were introduced to move away from a 'strong male-breadwinner model' to a 'Scandinavian model' such as gender-neutral parental leave benefits and entitlement of every child (above age) to childcare, either publicly provided or subsidised (Seeleib-Kaiser, 2016).

The German social protection model of social insurance and assistance bestows a large range of social benefits which are significant in terms of value (Matei & Tudose, 2014). As discussed earlier, after years of reforms the present social security system in Germany consists of two components – *social insurance* and *social assistance*. The details of some important schemes pertaining to the ILO categories of social security are given in Annexure 4.

The German statutory insurance system consists of various schemes for which it is compulsory for everyone who is employed (including the self-employed in certain cases, for example for old-age pension) to make social security contributions. The contribution burden is split between the employer and the employee (except for self-employed). Social security contributions are made under health insurance schemes, pension insurance, long-term care insurance, unemployment insurance, and occupational accident insurance. Their eligibility criteria are discussed in detail in Annexure 4. A few points of importance, however, need to be highlighted here. First, the social insurance system is contribution- and earning-based. Thus, the amount of the pension (old age, spouse, orphan, permanent disability, and injury payment) is determined by the earnings of the individual multiplied by a specific pension factor and the pension value (SSA, 2018).

Second, the legal coverage of the insurance schemes is extensive and includes self-employed and apprentices among others. For instance, when it comes to health insurance, while contributions are mandatory for all

individuals, there is both statutory health insurance (for all employed, pensioners, students, persons with disabilities, apprentices, and recipients of unemployment benefits) as well as private health insurance. The latter caters to either those who are not covered under the statutory health insurance (self-employed) or those above a certain income threshold. Similarly, for old-age/spouse pension/orphan pension, all the employed, including apprentices and under certain conditions self-employed persons, military personnel, caregivers, and persons receiving unemployment, sickness, and other benefits are obligated to participate in the pension scheme. On the other hand, for employment injury and unemployment insurance, contributions by self-employed are voluntary. Additionally, there also exist special insurance systems for certain self-employed persons, miners, public-sector employees, civil servants, certain military personnel, and farmers for old-age, disability, and survivors' benefits. Similarly, miners, artists, journalists, and farmers who are not covered by the statutory sickness, maternity, and medical benefits can avail benefits through occupation-specific systems.

Third, a key feature of the old-age, disability, and survivor insurance schemes is the recognition of *unpaid work*, *unlike any of the other three countries under consideration*. The State bears responsibility for the contributions for caregivers who provide unpaid care for at least 10 hours a week.

Fourth, anyone who contributes to the statutory health insurance scheme automatically gets maternity and sickness benefits. Even if the individual is not covered under the statutory health scheme, benefits during maternity and sickness can be claimed by the individual from the State.

Fifth, the government assumes responsibility for the contributions by certain specific groups of individuals who may be unable make the contributions. For example, the State makes contributions for long-term benefits for unemployed persons, pensioned farmers, and students receiving benefits under the Federal Training Assistance Act. For work injury insurance, the government subsidises agricultural accident insurance and contributions for students, children in day care institutions, and persons engaged in specified voluntary activities. Additionally, a flat-rate payment

is also provided by the State for non-insurance benefits provided by the statutory sickness insurance institutions (roughly €14.5 billion in 2017).

The German government's social security system also provides *non-contributory social assistance through benefits and allowances, the cost of which is solely borne by the government*. These are available for anyone with a lower income to help cover basic subsistence costs like basic income benefit (for the elderly), unemployment benefit, family and child support benefit, and housing benefit. Except for child benefit, which is a universal social assistance programme, the others are means-tested social assistance programmes (as described in Annexure 4). With regard to family benefits, a major step in the form of a universal parental allowance was introduced in 2007 recognising the reluctance of young families to have more than one child. It provides for an allowance (at 67 per cent of the previous earnings subject to a monthly cap) for new parents (including those fostering children) in the first 12 months after birth. The benefits offset loss of earnings and enable both the mother and the father to rest with their new baby.

The housing benefits are aimed at ensuring that everyone has adequate housing and thus the German government provides housing benefits to those with lower incomes. It can either be rent support for tenants (*mietzuschuss*), mortgage support or even upkeep of house support (*lastenzuschuss*) for home-owners.

A unique feature of the social security system in Germany is the framework of its unemployment benefits which combines social assistance and social insurance to provide a larger coverage for the unemployed. The formerly employed are covered through a contributory social insurance scheme (the contributions being mandatory for all employed, including household workers, apprentices, trainees, recipients of sickness benefits, and persons raising a child). However, self-employed, caregivers, and foreign workers (outside EU) can be part of the scheme voluntarily. An important issue, however, is that individuals with irregular employment are excluded from the scheme. The second component of unemployment benefits in Germany consists of tax funded social assistance for all the needy (employed or unemployed) with low self-help capacity. All persons unable to work (for

example, the chronically-ill, disabled persons, the elderly, and children living with relatives) and not receiving other public benefits are entitled to receive social assistance. However, since 2005, the unemployment social assistance has led to increasing dualism in the labour market between the short-term and long-term unemployed.

Recently attempts have also been made to provide a non-contributory basic pension to individuals who have contributed towards pension but have been unable to build a sufficient pension entitlement (due to, say, lower salaries). The federal government's basic pension scheme (*grundrente*) was introduced in January, 2021 after years of negotiations. It provides any individual who has contributed to the German pension system for at least 33 years with a supplemental assistance on top of the regular pension to ensure basic subsistence. A key feature of this scheme is that it includes not only working years but also the time spent in child rearing or unpaid care work. The scheme also entails automatic enrolment for all individuals and does not require the process to be followed at the individual level. As per the Federal Labour Minister, Hubertus Heil, roughly 1.3 million people are expected to be eligible for the basic pension, with about 70 per cent of them being women (Carter, 2021).

A crucial point that emerges from this discussion is that while the German social security system is comprehensive with benefits being provided for a long period and the social insurance coverage being nearly universal, it is primarily employment-related with the pay-out being earning-related. Nonetheless, several assistance programmes have been put in place to provide a basic standard of living.

A Comparative Assessment: Effective Coverage, Legal Coverage, and Social Protection Expenditure

The section provides a comparative assessment of the social security systems in India, China, Germany, and Brazil along three primary axes - Effective Coverage, Legal Coverage, and Social Protection Expenditure.

Effective Coverage

India performed abysmally, as regards effective coverage of social security (excluding health), relative to the world average as well as to Brazil, China, and Germany. *Table 2.2* provides a detailed account of the effective coverage of social protection as well as universal health coverage. The percentage of population covered by at least one social security benefit in India was only 24.4 per cent in 2020 whereas the world average was roughly double (46.9 per cent). In terms of overall protection, Germany performed spectacularly well on all aspects of social security with 99.5 per cent of the population having access to *at least one* social security protection scheme followed by China and Brazil which were on a similar footing (around 70 per cent).

A further break-up by beneficiary population groups, also offers some interesting results. Despite the differences in their per capita income, GDP, and rates of growth, Germany, China, and Brazil are above the world average in terms of the percentage of the particular vulnerable groups (except unemployed and children) who were effectively covered by social security (*Table 2.2*). In fact, Germany was able to provide protection to *all among* women with new-borns, unemployed, persons with severe disabilities, children, older persons, and workers in case of injury thereby providing comprehensive protection in the event of life cycle changes. When it comes to *vulnerable persons covered by social assistance*, roughly 96 per cent were covered by social protection which is well above the world average of 29 per cent. The only aspect where another country under consideration (China) did better than Germany, albeit marginally, is the percentage of labour force covered by pension schemes (active contributors). Only 53.5 per cent of the labour force was covered by pension schemes (active contributors) in Germany. For China, the figure was 58.5 per cent.

While Brazil was far from providing complete social protection coverage to all these groups considered, the country has been able to provide 100 per cent effective coverage to *all* those with severe disabilities. The least covered groups, however, are the labour force covered by pension schemes (active contributors) and the unemployed. For the active contributors pension scheme, 39.5 per cent were covered while only 17.6 per cent were covered under unemployment benefits. The latter is the only aspect where Brazil performed worse than the world average of 18.6 per cent, albeit only marginally. This is because unemployment insurance is restricted to specific groups and formal sector workers only (*Annexure 2*).

Table 2.2: Social protection effective coverage (including SDG indicators 1.3.1 and 3.8.1), 2020 or latest available year (percentage of the relevant population group)

Country	Population covered by at least one social protection benefit*	People protected by social protection systems including floors								
		Children	Mothers with newborns	Persons with severe disabilities	Unemployed	Older persons	Workers in case of work injury	Vulnerable persons covered by social assistance	Labour force covered by pension scheme (active contributors)	Universal health coverage
World	46.9	26.4	44.9	33.5	18.6	77.5	35.4	28.9	32.5	65.6
Brazil	69.9	67.7	47.8	100	17.6	91.5	48.7	45.9	39.5	79.0
India	24.4	24.1	41.5	5.6	0.0	42.5	3.7	16.4	15.5	55.0
Germany	99.5	100	100	100	100	100	100	96.0	53.2	83.0
China	70.8	3.0	69.0	32.6	24.1	100	31.8	33.2	58.5	79.0

Source: ILO, *World Social Protection Database*, based on the *Social Security Inquiry (SSI)*. Accessed in October 2021.

Notes: *. Excluding health.

1. Proportion of the population covered by at least one social protection cash benefit: ratio of the population receiving cash benefits, excluding healthcare and sickness benefits, under at least one of the contingencies/social protection functions (contributory or non-contributory benefit) or actively contributing to at least one social security scheme to the total population.
2. Proportion of children covered by social protection benefits: ratio of children/households receiving child or family cash benefits to the total number of children/households with children.
3. Proportion of women giving birth covered by maternity benefits: ratio of women receiving cash maternity benefits to women giving birth in the same year (estimated based on age-specific fertility rates published in the UN's World Population Prospects or on the number of live births corrected for the share of twin and triplet births).

(Notes to Table 2.2 contd...)

4. Proportion of women giving birth covered by maternity benefits: ratio of women receiving cash maternity benefits to women giving birth in the same year (estimated based on age-specific fertility rates published in the UN's World Population Prospects or on the number of live births corrected for the share of twin and triplet births).
5. Proportion of unemployed receiving benefits: ratio of recipients of unemployment cash benefits to the number of unemployed persons.
6. Proportion of older persons receiving a pension: ratio of persons above statutory retirement age receiving an old-age pension (including contributory and non-contributory) to persons above the statutory retirement age.
7. Proportion of the labour force actively contributing to a pension scheme: ratio of workers protected by a pension scheme (active contributors) to the total labour force.
8. Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, new-born and child health, infectious diseases, non-communicable diseases, and service capacity and access, among the general and the most disadvantaged population).

China, on the other hand, performed better than Brazil in terms of effective coverage for three out of the eight groups considered, that is, mothers with new-borns, older persons, and labour force covered by pension schemes. China was successful in providing security to the entire old-age population group through its most recent reforms that came in the wake of a severe criticism of the government for its inadequacy on this front. However, despite this improvement, children still constitute the most neglected group in China's social security system. Only 3 per cent of the children are effectively covered under the current social security plan; a figure that falls short of not only the world average (24.6 per cent) but also that of India (24.1 per cent).

India emerged as a clear outlier among the four nations recording the least effective coverage protection for all groups except that of children. For children, India was closer to the world average but fell significantly behind Brazil and Germany. What is truly striking is that, currently, there is no protection to those unemployed despite the fact that in 2017-18, the country witnessed the highest unemployment rates in four decades. Germany covers 100 per cent unemployed persons through its unemployment insurance and unemployment allowance. Brazil and China also have unemployment insurance schemes in place, although their coverage is very low, to the tune of 17.6 per cent and 24 per cent respectively. This could be attributed to the presence of informality in the two countries. Additionally, the absence of any unemployment allowance schemes also reduces coverage. With regard to the percentage of labour force covered by any pension scheme, India stood at only 15.5 per cent, in sharp contrast to China (58.5 per cent) which had a similar rate of growth and population composition. In terms of essential health services too, India was behind Germany, China, and Brazil but also the world average of 65.6 per cent.

Expenditure on Social Protection

The variations in coverage across the four countries can be directly associated with the spending on social security measures. One could argue that social spending is a rough measure of social effort. The World Social Protection Report 2020-22 shows that Germany spent a whopping 19.4 percent of its GDP on social protection (excluding health). Brazil came a close second with 16 per cent of its GDP spent on various social

security schemes. As a proportion of their respective GDP, this was above the world average of 13 per cent. This is in a stark contrast to India and China. While China spent 7.2 per cent of its GDP on social protection, expenditure in India on such measures was at a meagre 1.4 per cent. Even if one considers absolute numbers, given the large size of the population, the per capita spending on social protection is lamentable.

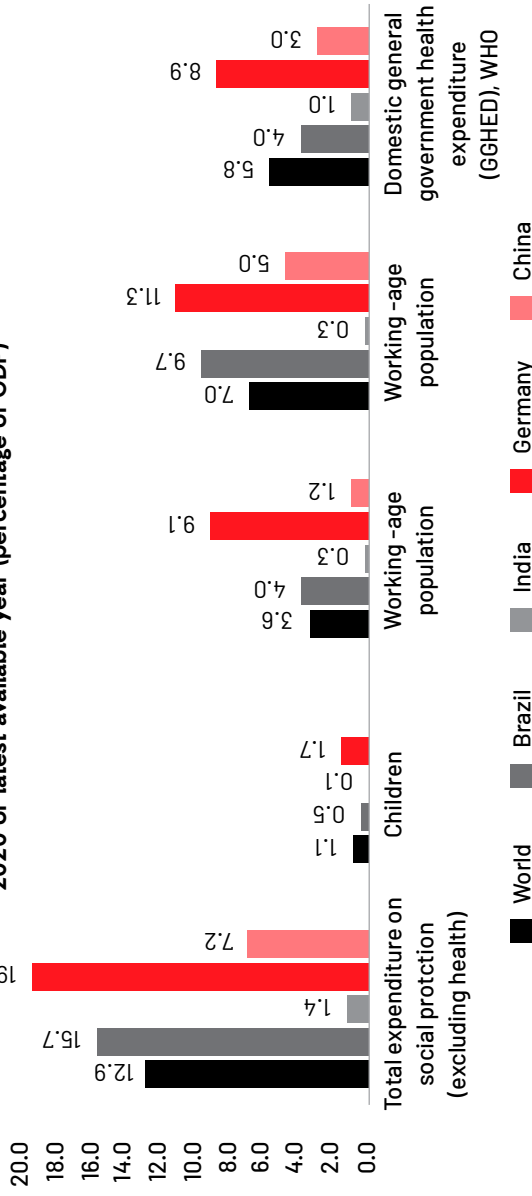
When we further bifurcate the spending by specific groups – *children, old age, and the working age population*, the positive relationship between spending on social protection (as a percentage of GDP) and effective coverage becomes even more apparent. Germany spent the highest on all the categories among the four countries as well as the world average. The highest share of the expenditure was on the old age population and the lowest on children. This is expected given the ageing population in the country.

Given the fact that both India and China are moving towards a population structure that is more mature in age, spending on old age is of utmost importance. After the recent reforms in China pertaining to pension schemes, the country is now spending close to 5 per cent of its GDP on providing protection to old age persons. This is in sharp contrast to India where only 0.1 per cent of the GDP is spent on this group.

When it comes to expenditure on health, India's health policy has been globally criticised for its historically low spending on health as a percentage of its GDP (only 1 per cent). While Brazil and China fall behind the world average (at 4 per cent and 3 per cent of their respective GDPs), they still stand in a much better position compared to India. This aspect was a key in determining the health outcomes during the pandemic. Germany, however, is an outlier, spending about 9 per cent of its GDP on the health sector.

Leisering (2021) argues that the overall differences in social spending between the four countries roughly correspond to the differences in real per capita GDP. However, China is an exception. While it is ranked higher in real per capita GDP terms, it has a relatively low ranking on social spending. This is surprising because China has considerably expanded its social protection coverage since the 2000s. The phenomenon may, thus, be indicative of 'low benefit levels and patchy implementation.' In India, however, the lowest

Figure 2.2: Public health and social protection expenditure, 2020 or latest available year (percentage of GDP)



Source: ILO, World Social Protection Database, based on the Social Security Inquiry (SSI). Available at: <https://wspd.social-protection.org> [June 2021].

Note: 1. Total social protection expenditure (excluding health) does not always correspond to the sum of expenditure by age group depending on data availability, source and year, and on inclusion of non-age-group-specific expenditures.

2. Figures for spending on children for social protection in China is not available.

raking in terms of social spending can be attributed to lack of 'political effort to address the widespread poverty and destitution' above anything else. As is discussed in Chapter 4, while fiscal pressures exist, various alternatives have been suggested by scholars to ease fiscal constraints and raise social level spending. However, these have not been implemented in India largely due to politics and the government-corporate nexus.

Legal Coverage

In recent years, social protection through contributory insurance has gained substantial support in the discourse along with tax-financed schemes. However, these schemes can lead to serious issues for informal workers' participation. The section provides a comparative view of the legal coverage of the existing social security norms in the four countries while focusing on their coverage of informal workers (Table 2.3)

In all countries except Germany, social protection through insurance schemes is by and large restricted to formal workers (though there are specific schemes for unorganised workers, they are few and restrictive). This leaves the informally employed population, which is more vulnerable to risks and instabilities, without adequate security. More than 90 per cent of the workers in India are informally employed. The percentage of informally employed is also high in Brazil and China at 47.1 per cent and 37.2 per cent respectively. Since social protection insurance contributory schemes are either voluntary or do not cover these workers, they are often left defenceless against systemic or exogenous shocks. It is evident from Table 2.3 that through mandatory contribution schemes, Germany has been able to offer legal coverage to all employees (regardless of the formal or informal nature of the sector) even as the employer-employee relationship has changed over the years. For instance, for insurance-based pension schemes, Germany has instituted a *mandatory* system for all employed (regardless of sector or formal-informal breakup); in China, it is *mandatory*, but only for formal workers in urban areas; in India the scheme is voluntary for all formally employed but there are incentives available for private sector companies, should they choose to contribute towards their employees' pension schemes.

Table 2.3: Legal Coverage of Social Security Systems Across China, India, Germany, and Brazil

Particulars	India	Brazil	China	Germany
% of informal workers out of employed*	>90 %	47.10%	37.20%	-
Old Age				
Contributory pension scheme (for working population)	Yes;Mandatory for central government employees and some state-level employees employed on or after 2004. Voluntary otherwise. Excluded are Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.	Yes;Mandatory for Salaried workers in industry, commerce, and agriculture; rural workers; household workers; casual workers; elected officials and public-sector employees not covered by a special system; and self-employed persons.	Yes, mandatory formal only	Ye, Mandatory. All employed (both formally and informally employed) including apprentices; and under certain conditions self-employed persons; military personnel; caregivers; and persons receiving unemployment, sickness, and other benefits.
Social Pension	Yes	Yes, but means-tested	Yes, basic pension but also requires contribution by individual as well as the State.	Yes, but means-tested

(contd. ...)

(... contd.)

Particulars	India	Brazil	China	Germany
Unemployment				
Insurance	No	Yes, government contributes too but only formal workers	Yes, but formal only, Mandatory	Yes, Mandatory Contributory scheme; All formerly employed (informal and formal) as well as for self-employed
Allowance	No	-	No	Yes (for Never employed, Non contributory)
Disability Protection				
Insurance	Yes, but voluntary	Yes	-	Yes, all disabled covered under statutory health scheme
Allowance	Yes	Yes, but income-tested	Yes but through living and nursing subsidies largely	Yes, as they have contributed to the social security scheme for a minimum of five years
Employment Injury Protection				
Insurance	Yes, but Formal only	Yes, but Formal only	Yes, but Formal only, Mandatory	Yes, all employed (informal and formal), Entirely borne the employer

(contd. ...)

(... contd.)

Particulars	India	Brazil	China	Germany
Sickness				
Paid sick leave	Yes, Formal only	Yes, Formal only	Yes, Formal only	All employed
Insurance	Yes	Yes, Salaried workers in industry, commerce, and agriculture; rural workers; household workers; casual workers; elected officials and public-sector employees not covered by a special system; and self-employed persons (with more than 10 months contribution); Voluntary for others	Yes, Formal only	Yes, It is mandatory. But For all employed- contributory, For unemployed and low income - assistance from state
Maternity Benefits				
Paid maternity leave	Yes, but Formal workers only	Yes, but Formal workers only	Yes. but Formal workers only	Yes, All employed, formal and informal workers.
Assistance/ Allowance	Yes	Yes	-	Yes

(contd. ...)

(... contd.)

Insurance	Yes, but only formal workers under certain conditions; Employees with monthly earnings of up to 21,000 rupees (no limit for persons with disabilities) and working in a factory or firm with at least a threshold number.	Yes; Salaried workers in industry, commerce, and agriculture; rural workers; household workers; casual workers; elected officials and public-sector employees not covered by a special system; and self-employed persons (with more than 10 months contribution); Voluntary for others	Yes, but formal only; Mandatory	All employed but not self-employed
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Source: Author's compilation from OECD (2019b), Social Security Administration (2018-19). Brazil, Social Security Administration (2018-19). India, Social Security Administration (2018-19). Germany and other sources.

Notes: 1. Informal workers are defined differently across the four countries given ILO's flexible approach with regard to the adoption of a nationally defined concept.

2. For blank columns comparable information was not available.

Schemes in India and China do not cover the self-employed while Germany (under certain conditions) and Brazil cover them; the contribution, however, is mandatory in Germany as opposed to Brazil. Another key feature of the German system is the recognition of caregivers, whose contribution to the scheme is provided for by the State. Further, agricultural workers are by and large excluded from contributory insurance schemes of any kind in India while Brazil provides for a semi-contributory scheme to its rural workers.

With regard to paid maternity and sickness leave, although all the four nations provide for these in their legislations, it is restricted only to the formal sector in India, China, and Brazil. Germany, on the other hand, extends such benefits to all employed personnel regardless of the sector/category of employment. Protection is offered in case of maternity, sickness, and injury through *mandatory contributory insurance* schemes for all the employed (formal and informal). Combined with its direct social assistance programmes (unemployment allowance for never employed and disability benefits), the system has led to substantial effective coverage in Germany. A key feature of the German system is that it offers parental leave (and not just maternity leave). Further, during such leave, the employee's salary is not given but the State provides for a universal parental allowance during this time; even unemployed individuals could avail the parental allowance. Moreover, all employees who have a German employment contract – whether full-time, part-time, marginal employment, fixed-term, or permanent contract – and they are entitled to parental leave.

As regards Maternity insurance, it critically excludes those in the informal sector, self-employed, and agricultural workers in India and China. However, the scheme is mandatory for *all* employed persons in Germany but self-employed women have been excluded from the scheme. Brazil too has made significant strides in this area by extending the same to rural workers, casual workers, and self-employed persons. Brazil also has voluntary systems for the unemployed and students but there is no mandate for government contributions in this regard. Such women then rely on social assistance.

Another important aspect is security benefits in case of unemployment. India is the only country among the four which provides no unemployment

security, neither through insurance nor allowance. China, Brazil, and Germany have contributory insurance schemes for those formerly employed who have been rendered unemployed; this is mandatory for all workers in Germany and formal workers in China. Apart from the contributory unemployment scheme, as discussed in the foregoing, unlike the other three countries studied, Germany also provides an unemployment allowance to those have never been employed. Brazil also has in place an unemployment benefits scheme, but it can be claimed only under certain conditions. For instance, an employee applying for unemployment insurance for the first time must have worked for 12 months in a formal position in the 18 months prior to being dismissed (Library of Congress, 2015). This implies that the scheme is restricted to workers in formal positions.

This analysis clearly shows the significant differences in the structures of the social security systems in the four countries. Germany is a clear exception. The differences across countries can be identified in the historical context. The post-War welfare state in Europe was part of the rise of 'democratic welfare capitalism' or a social democracy in Germany, which led to an early focus on social security.

On the other hand, in the global South several other developments occurred during this time from a political economy perspective. For example, struggle for political and/or economic independence, decolonisation, nation-building, and 'development.' State provided social protection was put on a back burner resulting in low levels of social spending; that has continued even today especially in India. Brazil, however, is different in this regard; perhaps due to early independence (unlike India) or the fact that industrial work started in Brazil much earlier.

A crucial point to underscore here is that the social movement and voicing of the social question were critical in achieving the present (little or comprehensive) state of social security mechanisms. Leisering (2021) argues that in India (relative to Brazil and China), the social question was voiced the least.

It is also important to highlight here that none of the countries have universal social protection, leading to exclusions (albeit to different degrees)

of some vulnerable groups from the legal framework. An inclusive, right-based system necessitates deliberations about addressing the specific challenges faced in each country.

Key Takeaways

India's performance with respect to the other three G20 countries has been abysmal with regard to effective coverage, legal coverage, and spending on social security (and health).

1. The percentage of the population covered by at least one social security benefit (excluding health) in India was only 24.4 per cent in 2020 whereas the world average was 46.9 per cent. Germany was a clear outlier with 99.5 per cent of its population having access to at least one social security protection followed by China and Brazil which were on a similar footing (around 70 per cent). Such low coverage rates in India (relative to other countries) can be observed among all vulnerable groups. Of particular note is the fact that despite high unemployment rates, unlike Germany, China, and Brazil India has no unemployment benefits. For Germany, the effective coverage was 100 per cent for unemployed.
2. In terms of spending on social protection, India spent a meagre 1.4 per cent of its GDP compared to 19.4 per cent in Germany, 16 per cent in Brazil, and 7.2 per cent in China; the global average was 13 per cent.
3. Germany has the most comprehensive social security system among the four countries studied in terms of legal coverage. The coverage of most of the schemes extends to all employees (regardless of the formal or informal nature of the sector), even as the employer-employee relationship has changed over the years; in certain cases, self-employed and unpaid care workers are also included in the contributory schemes.

4. The percentage of informal employment in India is also the highest among the countries considered (>90 per cent) which is a primary hurdle for ensuring adequate social security coverage (legal and effective).

SOCIAL SECURITY AND THE COVID-19 PANDEMIC: THE AFTERMATH AND THE FUTURE

The COVID-19 pandemic resulted in shaking the world governments considerably as the global economy collapsed and both supply-side and demand-side disruptions led to one of the worst economic crises of all times. As the COVID-19 crisis began and several millions lost their livelihoods, there were a slew of social protection measures undertaken across the globe, most of them in the form of temporary and emergency relief. Immediate income support to the vulnerable was necessary to combat the existing inadequacies in the social security systems. For instance, in Brazil, federal emergency aid was initiated to provide monthly cash transfers (to the tune of US\$113.36) to low-income workers in the informal economy, the self-employed (those whose income was less than three times the minimum wage), the unemployed or those under *Bolsa Família*. Though a Brazilian governmental registry for low-income families was already in place and individuals were automatically granted the benefits as long as they met the criteria, the federal government also urged citizens who fulfilled the criteria, to register for emergency benefits.

Similarly, in India, an emergency amount was disbursed to senior citizens, widows, and physically handicapped under the Pradhan Mantri Garib Kalyan Packages (with an expenditure of ₹1.7 lakh crore), provision of 5 kg grains per person and 1 kg chana per family per month for June-July 2020 to all migrant workers who did not have either a central or state PDS card (Sikdar & Mishra, 2020). In Germany, families with children received a one-time bonus benefit payment of €300 per child, basic income support for jobseekers (with no means-testing) provided through a simplified access. China was unique in this regard, as it largely refrained from providing direct financial support to its citizens, and instead focused on investments and other relief measures exclusively for private businesses and government investments (Xiaochen, 2021). Germany, India, and Brazil also provided support to small-and medium sized businesses through aid, moratorium or credit support.

The mandate of this monograph is not to look at the temporary measures that were undertaken once the crisis started unfolding but to look at the pre-

existing social security systems, inadequacies of which led to incomplete protection and insufficient shock-response delivery mechanisms that exacerbated the crisis by affecting the vulnerable population groups that were 'invisible' to the State to begin with. As argued in previous chapters, it was the deep-seated inequalities in the social security systems that led some countries to bear a major brunt of the crisis while others were able to cope with the shock (to a large extent). This brought to the fore, once again, the challenges in existing social security and how social security policies can be shaped in the future to provide for greater resilience to shocks such as the pandemic. This chapter discusses some key ideas relevant for framing social security in the aftermath of the crisis.

At a more systemic level, the problem arises from the very conceptualisation of social security. As discussed in Chapter 2, there has been a move to dilute social security during the neo-liberal regime, so that it no longer means, what it did a few decades ago (Mestrum, 2015). It has been interpreted in the narrowest sense, being related only to work and focusing largely on income security while leaving social and cultural rights outside its ambit. These rights are crucial not only for achieving economic security but realisation of basic human rights, as envisaged in the Universal Declaration of Human Rights (1948).

Secondly, across the globe and particularly among the four countries studied, there has been move away from provisioning for social security to contributory insurance-based schemes particularly since the 1990s under the neo-liberal regime. These were justified as a way of reducing the financial burden on the government and to ensure that worker incentives are not affected by government provisioning. In this sense, they are by and large, employment related (drawing from the narrow employment driven conceptualisation of social security).

On a practical level, such contributory insurance-based schemes pose a critical challenge for countries like India where informality poses a huge obstacle in social security coverage. This is also important for the future of social security because employer-employee relations have undergone drastic changes over the last few decades, producing new relationships that form the basis of such contributory (employer and employee) schemes. Some countries have opened social insurance to informal

economy workers and micro-entrepreneurs on a voluntary basis but it has been shown that the success of such schemes has largely been limited (ILO, 2021b). The efficacy of the schemes involving voluntary uptake or demanding contributions in the informal economy is quite low not only due to lack of information but also because the low and unreliable incomes, typical of the informal economy, make regular contributions by workers difficult (Handayani, 2016). Further, in many countries like India, informal workers are often employed in some specific sectors (particularly, construction, agriculture, and manufacturing) through multiple-levels of sub-contracting so that the principal employer (on whom the employer contribution can be imposed) is more often than not difficult to identify. The issues are further complicated as a large proportion of the informal workers have no written contracts. In this scenario, voluntary contributory insurance schemes are as good as ineffective in providing any protection to informal workers (including gig workers, domestic workers etc).

Thirdly, the global security system currently represents a mix of the aforementioned market-oriented insurance schemes along with tax-financed income-tested schemes for targeted groups. This highlights a lack of commitment to universal social security systems by the State. Mestrum (2015) argues that the contemporary international order 'has narrowed social protection and security to targeted and individualistic approaches for the poor, thus undermining commitment to universal policies for the benefit of all.' The fact that targeted schemes more often than not suffer from exclusion errors social security rights of informal workers and others who are left out of the definition of informal work but who are vulnerable (as discussed in Chapter 2) are largely left unaddressed.

To counter the exclusion errors, however, several initiatives were taken by governments during the pandemic. For instance, the E-Shram portal for self-registration of informal workers was put in place in India. These steps can be fruitful in the future for identifying beneficiaries for targeted policies. But, lack of internet access and awareness as well as bureaucratic red tape pose significant hindrances. It has also been argued that, though tax-based schemes do reach some individuals (usually those living in extreme poverty), their impact is limited by low transfer values (UN, 2018).

On a more conceptual plane, such targeted minimal cash-transfer schemes along with market- oriented insurance schemes represent a focus only on income and a general ‘commodification of human needs.’ In this sense, the contemporary social security systems indicate an abandonment of the State’s responsibility for ‘provision of universal, high quality public services in health, education, and other essential human services’ which are crucial for ensuring social security as a basic human right. Instead, the current agenda has been to leave it to the market (what can be addressed) while providing minimalist protection for the poorest and the marginalised ‘rather than on the social and economic rights of all citizens’ (Mestrum, 2015; Social Commons).

The emergence and rise to prominence of such insurance and tax-financed targeted schemes can be traced to the neoliberal order. As argued by Francine Mestrum (2015), the neo-liberal social protection broadly focuses on:

“...the economy, promoting growth, productivity and stability. It favours markets and helps to create new markets for health, education or transport, services traditionally provided by public authorities. It is targeted to the poor and can never be universal. The non -poor can buy social insurance on the market-place. Neoliberal social protection has nothing to do with social and economic rights – never fully accepted by the World Bank – or with social citizenship, let alone redistribution. Poverty is not a social problem anymore, but a problem of individuals who have to be ‘employable’, can be ‘activated’ and redirected towards labour markets.”

In this sense, social protection is driven far away from ideas of social justice, solidarity or re-distribution of income. The question then is, what can be done? In this context, a brief overview of two ideas that have gained prominence particularly during the ongoing crisis – the Social and Solidarity Economy (SSE) and Universal Basic Income (UBI), are discussed here.

Social and Solidarity Economy and Social Security

While focusing on the need for enhancing social security in terms of both conceptualisation and practice, there has been an increasing discussion on the Social and Solidarity Economy (SSE) as a *viable complementary development paradigm*. Presently, there is no official definition of SSE. However, the ILO Regional Conference on Social Economy, Africa's Response to the Global Crisis (October 2009) defined the Social and Solidarity Economy (SSE) as a 'concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity.'

The social economy organisations centre their business models around social and environmental concerns so as to *prioritise social impact over profit maximisation*. It is argued that social economy contributes to social and economic resilience particularly during periods of shocks or crises given the nature of their business models. Their capacity to offer resilience stems from two main roles - *repair and transform* (OECD, 2020). In this regard, the social economy has the ability to address the failures of both the market as well as the State, especially during a crisis, owing to their grassroot level approach (and the consequent ability to reach vulnerable groups) and their core objective being socially driven. They also seek to design economic activities in a way that is more inclusive and sustainable. This, in turn, has the potential to result in responsible practices that may transform economic systems towards a more humanitarian and inclusive approach.

Historically, during periods of crises, there has been a rise in the value placed on cooperation and solidarity (OECD, 2020). During the financial crisis in 2008 and natural disasters like the 2004 tsunami, cooperatives and wider social economy organisations were key in providing resilience and reconstructing the economy. The recent pandemic has been no exception. Some of SSE's responses in the four G20 countries considered in this monograph are mentioned below.

In India, several women's Self Help Groups (SHGs) rose immediately to assist in solving the issue of shortages of masks, sanitisers, protective equipment, combating mis-information, and even providing banking and financial solutions to far-flung communities (as 'bank sakhis'). Some NGOs like Kudumbashree in Kerala also ran community kitchens and delivered food to those in quarantine and the bedridden (The World Bank, 2020). Similarly, in Jharkhand, SHGs worked to identify pockets of starvation to support the district administration's efforts. Industrial cooperatives like the SEWA Cooperative Federation and Ganesh Sugar Mill immediately responded to the pandemic by shifting production (ILO, 2020a) towards hand sanitisers and face masks and distributing them among high-risk populations like frontline workers.

In Brazil as food inflation increased and hunger became a prominent issue, non-profit organisations played a huge role in distributing food during the pandemic. For instance, Ação da Cidadania provided food to more than two million people during the pandemic. Roughly 20 to 30 million people received food through non-profit organisations and individual as well as company donations (Borgen, 2021).

The integration of the German administration and SSE during the pandemic was also a crucial part of the country's overall strategy. For instance, organisation coalitions ranging from VENRO¹ to Caritas Germany (Catholic Welfare Association since 1897) supported vulnerable individuals and children by providing COVID-19 relief services. The young Caritas volunteer platform was instrumental in teaching people how to use digital devices through remote tutorials, thereby aiding in maintaining contact with everyone during the pandemic. The SSE also helped the State to cope with the crisis through a 'bottom-up approach.' For example, through a 3-day hackathon *#WirVsVirus (we against the virus)*, over 40,000 participants worked on one of the 48 different challenges posed by the COVID-19 crisis, proposing over 1,500 projects.

Despite the restrictions on civil organisations in China, both formal and informal volunteer organisations stepped up to provide on-ground

1. An umbrella organisation of development non-governmental organisations in Germany. The organisation was founded in 1995 and consists of 140 NGOs.

support. The Ginkgo Foundation led and funded a network of volunteers, called 'Ginkgo fellows in Wuhan,' to run programmes in the city which was the epicentre of the outbreak, setting up support groups for stay-at-home patients, providing supplies to overwhelmed hospitals, transportation to the most vulnerable, and delivering oxygen concentrators to individuals (Woo, 2020). An informal volunteer group, NCP Life Support Network set up an online clinic featuring a team of more than 400 volunteer health workers around the country. They helped patients with virtual care support and self-care guidance, mental health support, and end-of-life support for families in need. Other initiatives included a mutual aid group for pregnant women and an information support group. While their efforts were impressive, there was considerable lack of coordination between the social sector and the government, resulting in their limited success.

An essential point to note here is that in all these efforts, government support was critical for the overall performance of the SSEs, as was evident in the German case. In many of the countries, like India and Brazil, these efforts largely remained fragmented and were driven by solidarity mechanisms that emerged primarily during the crisis and targeted only specific groups in specific regions. The most important process must be a social collective, wherein the role of the State is paramount in achieving any substantial form of social security. Moreover, while the repair function was particularly visible during the current crisis, there is a potential for the social economy to play a stronger transformational role during recovery to help communities 'build back better' (OECD, 2020), in a complimentary capacity to the State. This is yet to be recognised in a much broader sense.

Universal Basic Income: A Solution to Social Security Woes?

During the COVID-19 pandemic, the idea of a Universal Basic Income (UBI) resurfaced in social security literature as a way of combating existing inadequacies plaguing the current social security systems. The rationale for UBI emanates from changes in employment relationships, particularly the move to a service economy, the potential adverse impact of automation on employment, and the growing casualisation (and informalisation) of work

(Stephens, 2019) which, in turn, has led to increased income insecurity. The appeal for a UBI came from diverse groups of people on the political spectrum, albeit for differing reasons. For the right-wing, it is an instrument to replace the 'dysfunctional welfare bureaucracies' with simpler and efficient systems that replace the complex-corrupt state mechanisms and signify a rollback of the State's interference in public liberties. On the other hand, for the left-wing, the unconditionality of cash-transfers seems appealing and thus, signifies a foundation for a stronger welfare state (Gentilini et al., 2019; Stephens, 2019).

The concept of Basic Income (BI) is certainly not new and has been circulating in the policy discourse in varying formats since the 1970s. In its earlier forms, under the names of 'negative income tax' and 'guaranteed income' it was envisioned as a way to simultaneously resolve poverty scientifically and to improve the welfare system. However, it broke down in the 1980s as the political landscape gradually changed, under the neoliberal regime, to one that aimed at cutting the welfare system. Led by Europe, it was slowly put back on the policy agenda with the idea of Universal Basic Income (UBI). More recently, the discussion on social security has been dominated by this idea as an instrument to directly address income insecurity, reduce destitution and inequalities.

A universal BI is a guaranteed income from the State provided to *all* the citizens unconditionally. In other words, it is a 'type of social security (and tax) system where all individuals would receive a minimum income from the state, irrespective of any market income assets' (Stephens, 2019). In this regard, a pure UBI is a combination of three core ideas (1) *Universality*, (2) *Unconditionality* (no qualifying conditions), and (3) *In-cash* (Gentilini et al., 2019).

Over the years, there have been a range of proposals in both developed and developing countries which differ on significant policy parameters, such as transfer level, age of eligibility, and whether all citizens should be covered or all citizens below a threshold income level should be covered. Several variants and pilot surveys have been launched by many countries across the world. Examples of small-scale experiments include Finland, where, in 2017, a randomised controlled trial of 2,000 unemployed citizens was initiated by providing a basic income of roughly USD 600 per

month over two years. Other variants have also been carried out in Kenya (covering 6,000 people for 12 years, with an additional 11,500 people for two years), Oakland (California), Manitoba (Canada), eight villages in Madhya Pradesh (India), and in about 25 municipalities in the Netherlands (Gentilini et al.,2019).

UBI has become alluring primarily due to its simplicity and ability to alleviate poverty directly. In its pure form, UBI as a simple policy measure reduces administrative complexities and costs. Firstly, by eliminating the eligibility criteria, it circumvents the exclusion errors inherent in any targeted social-assistance schemes due to the nature of poverty measures and various informational constraints. Further, an eligibility assessment also requires detailed information, which is not only difficult to collect but is constantly changing (Gentilini et al.,2019). Additionally, drawing the eligibility threshold is also problematic in a needs-based targeted programme. Secondly, a UBI can reduce the bureaucratic red tape that stems from the identification challenge. Thirdly, both conditional cash transfers and in-kind transfers require substantial institutional and administrative capacity for ensuring successful implementation and higher coverage. For in-kind transfers, procurement, storage, and distribution are often difficult and result in inefficiencies and pilferage. Collectively, a direct unconditional and universal cash transfer as proposed under UBI could essentially be much simpler and can reduce the administrative and transaction costs.

In terms of UBI's impact on poverty alleviation and larger developmental objectives, several studies have shown that cash transfers can reduce monetary poverty, improve school attendance rates, increase use of health services, have positive effects on savings rates, and grant more agency to women (Bastagli et al., 2016). It has also been argued on the basis of a few experiments with variants of UBI (for instance in Canada and Seattle) that UBI has a positive 'social multiplier effect'- greater financial security reinforces associated positive behaviours like teenagers continuing to attend schools (Painter, 2016), improved mental and physical health, and reduced criminal activities (Stephens, 2019).

The opponents of UBI often argue that it may affect labour market incentives, that is, a simple cash transfer (*unearned income*) disincentivises individuals from entering the labour force. However, some scholars have

shown that the impact of cash transfers is either positive (or negligible) on employment rates (Bastagli et al., 2016). Evidence from Canada, however, shows a slight reduction in hours of work but not reduced labour force participation (Stephens, 2019). Browne and Immervoll (2017) maintain that UBI strengthens the work incentives because it is not withdrawn when individual earnings increase; the biggest constraint to work then remains the availability of suitable employment.

The question that arises then is, whether UBI can be an effective solution to the existing social security inadequacies? The current proposals for UBI rest largely on replacing existing schemes to create the fiscal space for a basic income for all or a section of the population so as to guarantee financial security. For instance, in India, the proposals for a UBI for the bottom 75 per cent (GOI, 2017) call for removing central welfare schemes like PDS and MNREGS which have shown substantial inefficiencies (Bannerjee, 2016). Similarly, in Finland, a partial basic income of €560 per month was introduced that replaced some social security benefits like the basic unemployment benefit, the sickness benefit, some parental benefits, and rehabilitation benefits citing confusion and lack of awareness about the multitude of social security schemes in the country as one of the key reasons for low social security coverage (Turunen, 2017).

While UBI can serve as a direct tool for poverty alleviation (at least absolute poverty), it must not be viewed as a replacement for social security systems (State provisioning and in-kind transfers) but as an add-on or an income supplement. This is because as a replacement for social provisioning, UBI could prove detrimental to the overall objectives of development and that of a 'welfare state' due to a variety of reasons. Conceptually, UBI can address only a sub-set of social security's goals, that is, income security. As discussed earlier, social security incorporates aspects of decent work (as per ILO's definition) as well as aspects of fairness and social justice in the sense of individuals realising their boarder social and cultural rights. It is also imperative to recognise that excessive expectations may be set from UBI in literature as a tool to handle inequalities because, the origin of inequities may lie elsewhere (other than income). For instance, in 'uneven access to education and health systems, low-paying and low-productivity

jobs, poorly functioning markets, corruption, regressive tax codes, unequal pay, and social discrimination’, to mention a few (Piketty, 2016).

There are also several issues in terms of policy formulation, some of which have been highlighted in this monograph. Firstly, both conditional and unconditional transfers have their respective place in the development paradigm. Das et al. (2004) have shown that while unconditional transfers are more suitable when the core issue is a paucity of funds for a household, for certain developmental objectives, imposition of conditions may be paramount as they represent an instrument to influence private behaviour towards socially optimal behaviour (for instance, encouraging women to opt for institutional births and children’s education). Brazil’s *Bolsa Familia*, is a clear example.

Secondly, though a cash transfer is flexible and thus, provides a choice to individuals, it may *not be* appropriate in *all contexts* (Gentilini et al., 2019). For instance, additional cash may be squandered away on drugs or alcohol. Shah (2008) argues that a direct cash transfer without improvements in public institutions and private markets will not guarantee security in a much larger conceptualisation (beyond income security), for instance, food security (like PDS in India) or livelihood sustainability (like MNREGS). This, however, has been a highly debated issue.

Thus, a complete replacement of in-kind, conditional transfers with unconditional cash transfers as is expected under UBI necessitates a careful assessment of the possible system-wide effects as well as the impact on individual decision making. This is particularly important for developing countries with a huge informal workforce engaged in precarious work, low levels of education and nutrition wherein public provisioning of social security is critical for achieving developmental objectives.

Key Takeaways

1. There has been a move away from State provisioning for social security to contributory insurance-based schemes particularly since the 1990s under the neoliberal regime, citing a high financial burden on the government and for ensuring that worker incentives are not

affected by State provisioning. This is problematic for economies with high informal employment because –

- A. The low and unreliable incomes typical of the informal economy make regular contributions by workers and employers difficult.
 - B. Informal workers are often employed through multiple-levels of sub-contracting so that the principal employer (on whom the employer contribution can be imposed) is difficult to identify. The issues are further complicated in India as a large proportion of the informal workers have no written contracts.
2. SSE has the ability to address both market as well as State failures, especially during a crisis, owing to its grassroot level approach and its core objective being socially driven. While during the pandemic (and any crisis in general), SSE rose to the challenge, the efforts remained fragmented and crisis-specific. The role of the State remains central and paramount for any substantial improvement in social security coverage and adequacy, though SSE is a crucial and viable complementary development paradigm.
 3. While UBI in itself could serve as a potentially significant direct tool for poverty alleviation (at least absolute poverty), it must not be viewed as a replacement for social security systems (State provisioning and in-kind transfers) but as an add-on or an income supplement because UBI can address only income security aspects (and indirectly the developmental goals) of social security; the latter being a much wider construct.

SOCIAL SECURITY FOR INDIA: CHALLENGES AND KEY LESSONS

The social security movement in India has been extremely slow in improving its coverage and scope during the neoliberal period, as discussed in Chapter two. The current abysmal state of the Indian social security architecture, in general and particularly in comparison to Brazil, China, and Germany, has been a clear consequence. Though through several legislations and welfare schemes over the years, severe coverage and adequacy gaps remained even before the pandemic. This inadequacy has now been recognised as an important fault line that led to severe deterioration in the condition of vulnerable groups during the COVID-19 crisis, particularly informal workers. Further, the low social protection coverage and overall social protection expenditure compared to its regional peers has been detrimental to social mobility in the country (WEF, 2020).

The particular vulnerabilities of informal workers became quite evident during the ongoing crisis. ActionAid Association's first round of the national survey of 11,537 informal workers conducted in May 2020, reported that 78% of the respondents had lost their livelihoods due to the lockdown; 90% in urban and 72% in rural areas (ActionAid, 2020). As lockdown restrictions were lifted, many could resume their livelihoods but unemployment and underemployment remained high. As per second round of the ActionAid's survey, covering 16,961 informal workers across 28 states and UTs, conducted during August and September 2020, 48% of respondents remained without a livelihood while 42% were working far lesser hours per week as compared to pre-lockdown levels (ActionAid, 2021). Rural unemployment stood at 53% and urban unemployment was 36% but underemployment rates were more than 39% and 50% in rural and urban areas respectively. Livelihood loss led to consumption loss and indebtedness. Only 63% of the respondents had reported having at least two meals per day during April-May 2020 (ActionAid, 2020). Although this increased to 81% during August-September 2020, food sufficiency levels remained low even then (ActionAid, 2021). The continued lack of income, lack of social security mechanisms (as protection or shock delivery systems, discussed in Chapter 1) and absence of dependable savings forced many

informal workers to incur debt in order to meet basic household expenses particularly food and healthcare; informal networks like friends, relatives, neighbours catered to 62% respondents and private money lenders catered to 31% respondents. It was also found during the second round of the survey that access to public primary healthcare was dependent on a person's status of work with 90% of employed respondents, 75% underemployed respondents and 68% unemployed respondents being able to access healthcare facilities when required (ActionAid, 2021). This is because although public primary healthcare is free, associated charges like transportation or medicine costs reduce the opportunity of people without proper income to access these necessary facilities.

The ongoing crisis has driven home the point that there is an urgent need to put greater emphasis on social security systems not only to bridge the widening international gaps but also to reduce the persistent and increasing socio-economic inequalities. It is important to understand that it is not the pandemic that led to such burgeoning gaps between the 'haves' and the 'have-nots' but the deep-seated inadequacies and inequalities in the existing social protection system that led to further deprivation, hunger, and inequalities brought on by this sudden shock. Given the recent enactment of the Social Security Code (2020) in India we highlight, although, briefly some of the key structural challenges that plague the social protection system in India. The chapter also draws on the inter-country comparison (see Chapter 3) to derive some lessons for revamping the social security system in India

Major Challenges for Social Security in India

As discussed in Chapter 1, the primary challenge in improving effective social security coverage in a developing country like India has been the presence of a large informal economy. The Indian economy is characterised as 'one of the few large and growing economies with a vast informal sector, that is dominated by a large number of small enterprises consisting of self-employed and hired labour without any employment and/or social security' (Kannan & Breman, 2013). During 2018-19, as per

PLFS, of the total workforce in India, 90.3 per cent were engaged in informal employment while the share of formal employment was only 9.7 per cent (Accountability Initiative, 2020).

The conceptualisation of informality in India has been slow to evolve over the years. For years, informality was measured following a residual approach, that is, all the workers and enterprises that were not in the formal sector were considered informal (NSSO, 2001). Using data from the Directorate General of Employment and Training (DGET) or the Annual Survey of Industries (ASI), an estimate of the size of the formal sector was obtained, which was, then, subtracted from total employment to get an estimate of informal sector employment (Rustagi, 2015). However, following the ILO global standards, India, as a founder member, adopted the 15th and the 17th ICLS based definitions for employment in the informal sector and informal economy (see Chapter one) and has incorporated them in the Periodic Labour Force Surveys. The National Commission for Enterprises in the Unorganised Sector (NCEUS), defined the informal sector as comprising of ‘unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services, operating on a proprietary or partnership basis, and which had less than ten workers. (NCEUS, 2008). It defined informal workers as consisting of *‘those working in the informal sector or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment and social security benefits provided by the employers’* (NCEUS, 2008). This is to say that those without employment, work, and social security were identified as unorganised/informal workers, regardless of whether they were employed in the formal or informal sector (NCEUS, 2007). Thus, formal workers in India are defined as those having access to at least one social security benefit such as a provident fund or healthcare benefits (Nagaraj & Kapoor, 2021).

The renewed broad-based concepts of work (and worker), as specified by 19th and 20th ICLS resolutions (see Chapter one), have not yet been incorporated in India, primarily because of lack of relevant data. Essentially, then the new forms of employment (particularly gig workers) and unpaid workers (female dominated) are left unrecognised and thus, completely ‘invisible’ from the perspective of any social protection schemes in the

country. Additionally, even among those identified as informal workers, there is little to no access to basic social security coverage despite the implementation of the Unorganised Workers' Social Security Act (2008).

Besides definitional issues, recently attempts have been made to trivialise the size of the informal economy and the issues of informal workers. A recent report by SBI (2021) suggested that India's informal economy shrank to around 15-20 per cent of the formal GDP as against 52 per cent just three years ago (FY-2018). Such a drastic decline has been viewed as 'growing formalisation' stemming directly from the 'government's initiatives - adoption of GST, enhanced digitalisation, and demonetisation.' Correspondingly, they argue that the size of informal employment has also reduced and the economy is moving towards formalisation.

While a shrinking informal economy is a welcome claim in India, a deep-dive into the methodology used to arrive at the conclusion of growing formalisation reveals that it was based on increasing registrations of unorganised workers through the E-Shram portal and the increase in the use of establishments remitting first Electronic Challan-cum>Returns (ECRs) as highlighted in the monthly EPFO payroll reports. The payroll reports argue that registering on the E-Shram portal, 5.3 crore unorganised workers (as of October 27, 2021) have been formalised. This interpretation, at least implicitly, sees digitisation as a sign of 'formalisation.' This notion rests on the grey/illegal economy and is significantly different from the notion of decent work/quality of work perspective which is crucial in determining informal employment, conceptually (as identified in the NCEUS definition). Moreover, mere registration on the E-Shram portal cannot be characterised as a move to formality because the initiative largely focuses on creating a database of workers and does not offer clarity on the social security benefits, besides accident insurance that the registered workers are supposed to receive (Paliath, 2021).

Some scholars have also shown that there is evidence of an increase in the formal sector's share of GDP during the pandemic. However, this was primarily because informal enterprises were squeezed out by formal ones, as the former were forced to shut down under lockdown effects, though temporarily. Thus, this kind of 'formalisation' does not, in fact, entail micro and small informal firms transitioning to formality (Nagaraj &

Kapoor, 2021). This aspect has also been underlined by the World Social Development Report (2021) as a global phenomenon during the ongoing crisis. Moreover, even though the formal sector's GDP share has increased, some studies also argue that there may, in fact, have been an increase in informal employment. This is because as formal sector firms rationalised or laid-off workers, they sought employment in the informal economy which is expected to lead to an increase in informal employment figures.

Going back to the obstacles in implementing social security in India, a major obstacle stems is the *fragmented administrative and delivery systems for social security*. While schemes are administered by different ministries or governments (state and central), there does not, till date, exist a unified database for those in informal employment. Up-to-date registrations are an absolute essential for workers in the informal economy because the absence of traditional employer-employee relationship (or a fixed place of work as in the case of circular migrants) makes the provision of social security an arduous task because most of the current social security provisions are applicable to those workers who have a clear employer-employee relationship. But, 67.3 per cent of the regular/salaried employees do not even have any written job contracts (2019-20, PLFS). The situation is expected to be worse for casual workers. Though initiatives have been undertaken to digitise the welfare system quickly (for instance, the E-Shram portal), studies have shown that they have been plagued with exclusion errors. Human errors in entering records into online databases, poor internet connectivity, and issues pertaining to record verification have been some prominent hurdles (Bordoloi et al., 2020).

Moreover, the fragmented system has also led to significant lack of portability of entitlements across states. This is particularly crucial for migrant workers who form yet another vulnerable group and are often largely employed in the informal sector, moving from one place to another, often crossing state-lines for work. Though, in the aftermath of COVID-19, provisions were made for accessing PDS through e-Ration cards from anywhere and everywhere, the portability is yet to expand to other schemes. The Occupation Safety, Health and Working Conditions Code (2020) attempts to introduce some flexibility in access to social security for migrant workers but there are several implementation obstacles.

Another major is lack of effective implementation - execution of programmes is often plagued by misallocation and leakage of resources, inclusion, and exclusion. It was estimated that even for most funded programmes, targeting errors could be around 60-70 per cent (GOI, 2017). The inefficiency of targeted schemes has, thus, led to growing support for universalisation of social protection schemes. A case for such universal policies can also be found in the fact that social security should be viewed as a basic human right. Budget constraints are a very powerful argument for targeting schemes. However, empirical research highlights two points. First, in developing countries there are informational constraints which lead to overlapping schemes and the resulting administrative inefficiencies. Universal schemes instead of targeted ones could in effect be cheaper. Second, universal schemes have a greater impact on the broader socioeconomic objectives vis-à-vis the targeted schemes. For instance, in Ghana imperfectly targeted programmes with a budget of 1 per cent of GDP will reduce poverty by 10 per cent, universal social pension with the same budget by just 1.5 per cent (Yemtsov, 2016).

Given the deplorable state of social security (even in the narrowest sense), the Code on Social Security was enacted in 2020. This, however, largely clubbed together the plethora of social security laws and schemes under one umbrella. It envisages to 'ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed' for all workers particularly unorganised workers and also new forms of labour emerging during industrial revolution 4.0 (gig or platform workers, for instance, delivery personnel and for-hire cab drivers).

The code has been under criticism. Some key lacunae are highlighted here. Firstly, it does not specify the minimum social security benefit for citizens as benefits are still dependent on the number of workers in an enterprise and the wages earned. This symbolises a move away from the international recommendations, particularly ILO's Social Protection Floors Recommendation, 2012 (No. 202), that calls for a nationally determined social protection floor to avoid exclusion errors. NCEUS has argued for a social floor consisting of minimum conditions of work and livelihood.

Secondly, the code fails to address some key issues that largely led to the ineffectiveness of the Unorganised Workers' Social Security Act (2008) particularly the fact that both national- and state-level advisory boards have no institutional powers. Thirdly, another critical issue that has not received adequate attention is the registration of unorganised workers. Registration is necessary to avail of the schemes in situations where formal employee-employer relations do not exist. The code does not require the district administration to ensure and facilitate registration of workers implying a lack of accountability (Accountability Initiative, 2020). The actual impact of the code on increasing coverage, remains to be seen.

Lessons for India and Policy recommendations

This section draws on the policy frameworks in Brazil, China, and Germany to provide some key lessons for India's social protection framework.

1. The Indian social security system consists of fragmented social security schemes aiming to achieve specific developmental objectives. However, evidence from Brazil shows that a multi-sector view of social protection programmes can be key to comprehensively addressing development challenges. The Bolsa Familia, is a clear example. It is an overarching social assistance programme integrated with multiple development goals (like immunisation, school attendance, maternity health, and education) and may be more effective in targeting poverty in all its forms. However, it does bring to light the debate on the conditional and unconditional transfers with respect to monitoring. Informational constraints, administrative efficiencies, and lack of coordination could pose a serious issue for such a programme that would require multi-sector and multi-ministry cooperation.
2. There is an urgent need for India to recognise the present stage of its demographic transition. As the population ages, a revamping of the old age pension infrastructure is required particularly given the lamentable 40th rank (out of 43), that India secured in the Global Pension Index (2021). In this regard, India could draw on Brazil, China,

and Germany's experiences. In particular, the Chinese experience could be useful as both the countries are similar in terms of their demographic transition and population size and density. In a pre-emptive measure, recognising that the population in China is ageing and in the wake of severe criticism of the social protection system, China recently revamped its pension schemes. The coverage was, hence, increased to 100 per cent in 2020, as opposed to only 42.5 per cent in India.

3. India needs to close the global gap in terms of its social protection expenditure as a percentage of its GDP. India spends only 1.4 per cent of its GDP on social protection in comparison to 12.9 per cent globally. India's social protection expenditure is also far lower compared to the countries studied in this monograph. Even if we exclude a high-income country like Germany, the social protection expenditure is still very low compared to China and Brazil. How the fiscal challenge is addressed and expenditure prioritised for protection will be an important learning from both Brazil and China.
4. The cross-country comparison also highlights an essential, but completely neglected vulnerable group in India - the unemployed. All the countries compared here, provide for some form of unemployment insurance (contributory in Germany and China and government-paid in Brazil). In addition, Germany also provides for an unemployment allowance for ever-employed as well as never employed regardless of formal/informal identification requirements.
5. Persons with severe disabilities are also neglected in the social security framework in India. Their effective coverage has only been 5.6 per cent compared to 100 per cent in Brazil and Germany. Though the Indira Gandhi National Disability Pension Scheme at the central level in addition to several state financial assistance schemes (though variations across states are high) exist, the assistance provided is quite meagre (only ₹300 per month) and is not revised upwards frequently. India could draw on the BPC scheme in Brazil where assistance

equivalent to the nationally determined current minimum wage is provided.

6. The German social security model could serve as a guiding model for future social protection in India. To provide near perfect effective coverage and avoid neglecting particular vulnerable groups, Germany implemented a system of: (a) statutory and mandatory contributory insurance (like statutory health insurance, pension insurance, unemployment insurance, and long-term care insurance) for those already employed; and (b) a social assistance system for individuals with a lower income to help them cover basic subsistence costs such as rent and raising children. However, given the large share of informal employment in India, a mandatory/voluntary contributory market based-insurance may be problematic because the low and unreliable incomes, typical of the informal economy make regular contributions by workers and employers difficult (Handayani, 2016). Thus, State provisioning of social security remains crucial for India.
7. During the COVID-19 pandemic, another neglected aspect of social security in India that resurfaced with great vigour was health. The expenditure on health (1 per cent of GDP) pales in comparison to the world's average, of about 6 per cent. Brazil, China, and Germany have been able to extend the universal health coverage to more than 79 per cent of the population as compared to India, which stands at 55 per cent. This could be attributed to the presence of health insurance schemes.

A social security system must strive to ensure *at least* a minimum social security net for all workers irrespective of wage, enterprise size, and place of origin (as opposed to the current provisions). The absence of a minimum social security net at the workplace adds to the vulnerability of informal workers and new forms of employment that have emerged in industrial revolution 4.0. It is also essential that such policies be de-linked from the place of the worker's origin (home state). This is particularly important for migrant workers. As discussed in Chapter 2, a similar problem has arisen with the *hukou* system in China.

Firstly, while nationally defined social protection floors could be a starting point in universal social protection but that is not where the effort must end. Social security systems must strive to move away from ‘minimalistic’ and ‘individualistic’ tendencies promulgated under the neoliberal order. Instead, commitment to the provision of universal, high quality public services in health, education, and other essential human services to all, is paramount if any significant improvements have to be made.

Secondly, market-oriented insurance models combined with tax-financed schemes for the needy may reduce the fiscal burden but they may lead to significant exclusion or inadequate protection of informal workers. Low and unreliable incomes typical of the informal economy make regular contributions by workers and employers difficult (Handayani, 2016) and because of multiple levels of sub-contracting observed in the country, the principal employer (for employer contribution) is difficult to identify.

Thirdly, to improve effective coverage, there is an urgent need to move beyond the traditional direct and stable conceptualisation of the employer-employee relationship which currently forms the basis of the social protection legislations in the country. With respect to gig economy workers, now recognised under the Code on Social Security (2020), it is the aggregators (for example, Uber or Zomato) who function as employers. Such employer-equivalents are not always easy to identify for different types of workers engaged in precarious work.

Fourthly, an even greater emphasis needs to be laid on increased investments for financing the coverage and adequacy gaps that exist in social security. The expenditure on social protection needs to be considerably increased to move towards universal social protection or even for implementing social protection floors. The issue of a constrained fiscal space, however, is an obvious challenge particularly for a developing country like India owing to the low tax-GDP ratio during the neoliberal regime. ILO (2021b) has estimated that low-income countries will need to invest an additional 15.9 per cent of their GDP (in 2018) to finance a social protection floor, and lower-middle-income countries 5.1 per cent of their then GDP. This does imply considerable costs for the State. However, Srivastava (2013) argues that the ‘cost of a well-designed social protection floor is small compared to the tax revenues often foregone by

not effectively collecting revenue from the wealthy and by not tackling inefficiencies that exist in many expenditure programmes.’

It is also essential to highlight here that there are a whole range of other instruments that can be tapped to enhance fiscal space in a developing country like India. Securities transaction tax (that is, taxation on trading of shares), Tobin tax (on account of cross-border mobility of finance), and environment/climate tax are some examples. Jha and Acharya (2016) argue that the sectors that benefit in profit terms from casual labour and informal employment but do not contribute much to their well-being could be targeted to strengthen allocations for social protection. For instance, mining, construction, real estate, and gems and jewellery sectors can be of use through a well-designed provision of cess. Hence, there is no dearth of instruments to increase the fiscal space for provisioning of universal social security, but the real issue is lack of political will. Brazil succeeded in increasing its fiscal space by almost 10 percentage points over a decade during the regime of Luiz Inácio Lula da Silva (Jha & Acharya, 2016).

Combined efforts at the local, national, and international levels are required to close the social protection financing gap. These can be supported by Integrated National Financing Frameworks – a key modality for financing policy priorities, expanding fiscal space, and coordinating different financing sources as part of a holistic strategy for financing development interventions, including social protection (ILO, 2021b).

Further, the concept of informal workers needs to be revised. It must be in tune with the broad-based definitions of work and employment as described in the 19th and 20th ICLS to ensure greater inclusion of unpaid workers and platform workers. The Delhi Group on Informal Sector Statistics has asserted that there is a need to develop a more comprehensive conceptual framework, one that caters to the labour market characteristics specific to India. Such methodologies must: (a) expand informality to include migrant workers, refugees, and internally displaced persons and non-standard forms of work in India, and (b) evoke conceptual frameworks for measuring informal enterprises as well as workers in the agricultural segment (including the self-employed) (Accountability Initiative, 2020).

Lastly, there is a need to move away from income-focused, discretionary, minimalist (targeted for poor), and conditioned social security provisions.

Instead, social protection systems must be entitlement based rather than being viewed as a gift not only by the recipients but also by the State, particularly in low-income countries like India (Ulrichs & Sabates-Wheeler, 2018). A transition to a social security system that is founded in a 'rights-based vision of social justice' is crucial for upholding basic social and economic rights (and human rights) of all citizens. Such a transition, however, is not determined by the level of growth or development alone but by 'catalysts in the form of a strong civil society, political will, and activism to help mobilise citizens to claim their rights, or accountability mechanisms' (Carter et al., 2019).

Key Takeaways

1. One of the most comprehensive definitions of informal workers is provided by NCEUS – those with no employment, work, and social security, highlighting the precarity of their work (NCESU, 2007, 2008). Recently, attempts have been made to trivialise the issue by taking digitisation as a sign of 'formalisation,' with no reference to decent work.
2. Primary challenges to social security in India stem from the narrow definition of informal workers (hence their identification), fragmented administrative and delivery systems for social security, lack of portability, and problems associated with targeted schemes (exclusion errors and administrative inefficiencies).
3. Some key lessons can be drawn from the social security frameworks in Brazil (using a social protection with a multi-sector view like Bolsa Familia) and China (particularly with regard to the spectacular Chinese performance in pensions). Germany, with its system of mandatory insurance schemes and comprehensive social assistance programmes could also be a useful model. However, given a high share of the informal workforce, with low and unreliable incomes and informal employment being undertaken primarily through multiple levels of sub-contracting, only mandatory/voluntary social insurance may not be a suitable approach. Thus, the State must play a central role in providing social security.

4. India must close the global gap in terms of its social protection expenditure as a percentage of its GDP. India spent only 1.4 per cent of its GDP vis-a-vis the global figure of 13 per cent in 2020.
5. Nationally defined social protection floors can be a starting point but that is not where the effort must end. Instead, commitment to the provision of universal, high quality, public services in health, education, and other essential human services to all, is paramount.
6. A fiscal space can be created for a universal social protection system through a variety of instruments including securities transaction tax, Tobin tax, and environment/climate tax.



CONCLUSION

The mayhem that the sudden and intense global spread of COVID-19 unleashed led to an unprecedented loss of lives and livelihoods. This shock put a large proportion of the already vulnerable population groups at significant risk resulting in sharp increases in deprivation, hunger, destitution, and inequalities. It reversed the global progress made towards achieving the SDGs and the sustainable development agenda 2030; a bulk of this regression was largely concentrated in lower- and middle-income countries like India. It is important to underline here that it is not the pandemic that led to such bludgeoning gaps between the 'haves' and the 'have-nots' but the deep-seated inadequacies and inequalities in the existing social protection systems that led to a further deprivation, hunger, and inequalities. On the one hand, countries with already existing effective social security systems (the high-income countries) could provide better buffers to their vulnerable populations, while most others with inadequate systems failed miserably.

Given this scenario, the pandemic brought social security to the centre-stage of policy discourse. Though as per ILO (2021b), several protection measures were undertaken by the countries (between March 2020 and May 2021, 222 countries planned or implemented about 3,333 social protection measures) to protect incomes, jobs, and livelihoods, most of these (including those in India) were in the nature of temporary social safety nets. Thus, it has become critical at this juncture to understand the existing framework of social security across countries in an attempt to devise strategies to secure the vulnerable and at-risk populations in case of future shocks.

The concept of social security has undergone significant evolution as the socio-economic and political landscape of the world has changed over the years since it was first introduced in the Beveridge Committee (1942). The high noon of the social security discourse can be identified as the landmark Philadelphia Declaration (1944) which put human rights as the fundamental objective of all national and international policies, in general

and the Universal Declaration of Human Rights (1948) in particular; the latter recognised the individuals' right to social security (Article 22) as a basic human right prompting a rights-based view of social security. The International Covenant on Economic, Social and Cultural Rights (1966) recognised that individuals' rights incorporate labour rights and the right to health, the right to education, and the right to an adequate standard of living.

Notwithstanding the early recognition, comprehensive and resilient social security systems across the globe remain a distant reality not only in practice but also in conceptualisation. Mestrum (2015) argued that its traditional construction under the terms of the post-war social contract had started eroding seriously by the 1980s during the neoliberal order. Thus, today the 'social protection systems reflect neither social solidarity nor social justice (or redistribution)' because the neoliberal social protection ideology focuses more on economy, growth, productivity, stability, and creation of new markets for health, education, and other services and has moved away from the ideas of social and economic rights or with redistribution.

This monograph delved into some of the competing ideas in the discourse – social security, social protection, and social safety nets - with the ideas being visualised differently by different international agencies including ILO, the World Bank, UNDP, and ADB. On a broader level, while social safety nets are in the nature of social assistance, thereby making them a component of social security/protection, the terms social security and social protection have been the most debated in the discourse. ILO (1984) defines social security as 'the protection that a society provides to individuals and households through a series of public measures against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death; the provision of medical care; and the provision of subsidies for families with children.'

Several scholars have criticised ILO's conceptualisation of social security as restrictive (Sarkar, 2004), being derived largely from the experiences of the developed countries while failing to consider the structural differences between the developing and developed countries (Justino, 2007). In this

scenario, social protection has emerged as an all-encompassing concept. But ILO and other agencies have often used the terms interchangeably as indicated by the roughly identical definitions in different reports (ILO, 1984 and 2004).

Since different international agencies like UNDP, ILO, and ADB view the scope of social protection differently, a uniform consensus has been difficult to arrive at when it comes to the terminology. There is no strong watertight analytical distinction between social security and social protection. It is more a matter of convention rather than any analytical reasoning. Internationally, social protection has become the most widely used term (Carter et al., 2019). For the purpose of this monograph, however, these terms have been used interchangeably.

Although the discussion on these conceptualisations and their evolution was by no means exhaustive, a few key points emerged from a conceptual point of view. First, over time, particularly during the last 30 years or so, there has been a constriction of the notion of social security. This is particularly evident as ILO has moved from the concept of social security to social protection (in line with the World Bank terminology), eventually recommending social protection floors in 2012. This has reflected a narrowing of the ILO's framework for social security which is now in tandem with the World Bank's stance. Further, while one can debate which term is more comprehensive, there has been a subtle move away from a 'rights-based approach' to social security. Moreover, in matters of legal terminology, while social security has been recognised explicitly as a human right, social protection is not. The latter is viewed largely as a measure to stand in support of human rights. The use of the term, social security, then seems to be more relevant while discussing international and national conventions/declarations/laws as it moves the worldview to visualising social security as a right (comparable to other constitutionally guaranteed rights) and not a handout. Thirdly, the social protection floors recommended by ILO which currently form the vision of the social security systems seek to ensure at a minimum, that all in need have access to essential healthcare and basic income security over the life cycle. The agenda has, thus, been of focusing on the minimalist protections that are largely restricted to income security rather than on the realisation of social,

cultural, and economic rights of all citizens as were envisaged in UDHR (1948). It has been ignored that realisation of social and cultural rights also plays a significant role in achieving economic rights and security.

Given this background, this monograph attempted to compare social security systems in four diverse G20 countries – India, China, Brazil, and Germany. Although incorporating detailed discussions on the history of evolution of social security in these countries would have enriched the discussion this could not be done due to issues of space and the mandate of this monograph. The discussion has been restricted to the current social security systems in place in these countries. It also does not focus on the temporary relief social security measures undertaken during the ongoing COVID-19 crisis as most of these are in the nature of one-time injections and would divert attention from the systemic issues and inadequacies in the social security systems.

The cross-country comparison was undertaken on three primary axes - effective coverage, legal coverage, and social protection expenditure. India and Germany emerged as clear outliers but on opposite ends of the spectrum. Despite a plethora of legislations and welfare schemes as well as respectable GDP growth rates for years before the pandemic, India's social protection system paled miserably in comparison to the other three countries (as well as the world average) on all the axes considered.

In terms of effective coverage, the percentage of the population covered by *at least one* social security benefit in India was only 24.4 per cent whereas the world average was roughly double. In terms of overall protection, Germany performed spectacularly on all aspects of social security with 99.5 per cent of the population having access to at least one social security protection scheme followed by China and Brazil which were on a similar footing. A detailed analysis also showed India's poor coverage of the elderly, women with children, children, and the unemployed.

The variations in coverage across the four countries can be directly correlated to spending on social security measures. While Germany spent 19.4 per cent of its GDP on social protection (excluding health) followed by Brazil (16 per cent of its GDP), spending above the world average of 13 per cent, China (7.2 per cent) and even more so India with its meagre 1.4

per cent of its GDP were far behind. Spending on health in India was only 1 per cent of its GDP compared to 9 per cent in Germany.

Germany was able to offer legal coverage to all employees (regardless of the formal or informal nature of the sector) through mandatory contribution schemes, even as the employer-employee relationship changed over the years. For instance, for insurance-based pension schemes, Germany instituted a *mandatory* system for *all* employed and some laws, such as, pension schemes also mandate contributions from the self-employed. In contrast, in India, China, and Brazil, such schemes are by and large restricted to formal workers (though there are specific schemes for unorganised workers, these are very few and restrictive). This leaves the informally employed population, which is more vulnerable to risks and instabilities, without protection. Another key feature of the German system is the recognition of caregivers whose contributions to the scheme are provided for by the State. In addition to the mandatory contributory schemes, Germany also has in place substantial social assistance income-tested programmes as well as universal family allowances, the costs of which are borne entirely by the State.

The low social protection coverage and overall social protection expenditure compared to its global as well as regional peers has been detrimental to social mobility in India (WEF, 2020). The Global Social Mobility Report (2020) identified social protection (besides fair remuneration) as the primary area of concern for social mobility in India.

The analysis clearly shows the significant differences in the structures of social security systems in the four countries which may be identified in the historical context. The post-War welfare state in Europe was part of the rise of 'democratic welfare capitalism' or a social democracy in Germany which led to an early focus on social security. In the global South, on the other hand, several other developments occurred during this time. For instance, struggle for political and/or economic independence, decolonisation, nation-building, and 'development.' State provided social protection was put on the back burner resulting in low levels of social spending that continue till today especially in India. Brazil, however, was different in this regard in this regard perhaps due to its early independence or because industrial work started much earlier in the country.

The level of social provisions is driven more by a country's political and policy environment than its level of development or growth (Srivasatava, 2013). Leisering (2021) argues that India's lowest ranking in terms of social spending can be attributed to lack of 'political effort to address the widespread poverty and destitution,' above anything else. The social movement and voicing of the social question were critical for achieving the present (little or comprehensive) state of social security mechanisms in all the countries considered in this monograph. Leisering (2021) argues that in India, the social question was voiced the least, which also could be responsible for the dismal condition of social security in the country.

Basis the comparative assessment, this monograph highlighted some key challenges for the social security system in India. The primary challenge in improving the effective coverage in India is the presence of a large informal sector. During 2018-19 PLFS, of the total workforce in India, 90.3 per cent of the workers were engaged in informal employment (Accountability Initiative, 2020). The informal economy has predominantly had little or no access to basic social security despite the implementation of the Unorganised Workers' Social Security Act (2008) primarily due to *fragmented administrative and delivery systems for social security* and issues with identifying (and targeting) the informal workforce. While schemes are administered by different ministries or governments (state and central), there does not exist a unified database for those in informal employment.

Moreover, the definition of informal employment has led to crucial exclusions as the employer-employee relations have changed over the years. This fragmented system has also led to significant lack of portability of entitlements across states. Secondly, most of the schemes are targeted in nature, resulting in substantial inclusion and exclusion errors, not to mention significant administration costs. Thus, there has been growing support for implementing universal social protection schemes, instead of the current targeted schemes.

Some key lessons emerged from the inter-country analysis. Firstly, there is an urgent need for India to recognise the present stage of its demographic transition. As the population ages, a revamping of the old age pension infrastructure is required particularly given the lamentable 40th rank (out of

43) that India secured in the Global Pension Index 2021. India could draw on Brazil, China, and Germany's experiences. In particular, the Chinese experience will be useful (both countries being similar in terms of their demographic transition and population size and density) as China recently achieved 100 per cent coverage of the old age group.

Secondly, India needs to close the global gap in terms of its social protection expenditure as a percentage of its GDP. Thirdly, some vulnerable groups have either been completely neglected (unemployed) or covered insufficiently (people with severe disabilities) in the social protection system. Unemployment insurance (Brazil, China, and Germany) and unemployment allowance (in Germany) could act as suitable paths in this area. For the disabled, the social assistance provided in India is quite meagre (only ₹300 per month) and it is not revised upwards frequently. India could draw on the BPC scheme in Brazil wherein assistance equivalent to the nationally determined current minimum wage is provided.

In addition, at a broader level, some other recommendations have also been highlighted. Firstly, social protection floors (as recommended by ILO) could be implemented to ensure basic security but they have remained a distant reality due to lack of fiscal space. However, Srivastava (2013) argues that the 'cost of a well-designed social protection floor is small compared to the tax revenues often foregone by not effectively collecting revenue from the wealthy and by not tackling inefficiencies that exist in many expenditure programmes.' It is important to emphasise here that the nationally determined social protection floors can be a starting point for universal social protection but that is not where the effort must end. Social security systems must strive to move away from 'minimalistic' and 'individualistic' tendencies promulgated under the neoliberal order.

Secondly, under the neoliberal regime, there has been a move towards market-oriented insurance models combined with tax-financed schemes for the needy (also in China as the economy attempted to transition to socialist market economy). The issue, however, for India is that though the fiscal burden may reduce, there may be significant exclusion or inadequate protection of informal workers because the low and unreliable incomes typical of the informal economy make regular contributions by workers and employers difficult (Handayani, 2016). Further, in India, informal

workers are often employed in some sectors (particularly, construction, agriculture, and manufacturing) through multiple-levels of sub-contracting so that the principal employer (on whom the employer contribution can be imposed) is more often than not difficult to identify. The issues are further complicated as a large proportion of informal workers have no written contracts. In this scenario, voluntary or even mandatory contributory insurance schemes are as good as ineffective in providing any protection to informal workers (including gig workers and domestic workers). Hence, the State's role in provisioning social security is paramount for any decent social security system.

Thirdly, a universal basic income has also been suggested in the literature to provide universal security net. There are several issues here, the primary being that conceptually, UBI can address only a sub-set of the goals of social security, that is, income security. While such unconditional transfers may be a welcome step, on their own they cannot serve as a complete replacement for social security systems. Through minimal cash transfer 'guarantees', a commodification of human needs has been undertaken. A social security system focused solely on this implies an abandonment of the State's commitment to the provision of universal, high quality public services in health, education, and other essential human services under the neoliberal order.

Hence, what is needed, is a much more comprehensive visualisation of social security that moves outside the realm of economic security, to understand that realisation of social and cultural rights (as identified in UDHR) is also key to ensuring economic security. There is an urgent need to recognise social security in India as not only a pro-poor or protective measure but also in terms of its 'preventative,' 'promotional,' and 'transformative' scope. It is also essential to base the social security systems in a 'rights-based vision of social justice,' thereby upholding the provisions of basic social rights for *all* rather than being viewed as a gift targeted at the income-poor alone. A transition to a universal social security system based on such a vision, is crucial for an inclusive developmental strategy in India. Such a transition, however, is not determined by the level of growth or development alone but necessitates a strong political will, a strong civil society, and activism.

Annexure 1: Some Key Social Security Schemes in India

Central Social Security Welfare Schemes	Key Vision
A. For Old age	
Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	It is non-contributory old-age pension scheme that covers citizens above the age of 60 years and living below the poverty line.
Pension to Master Craft Persons	It provides pension of ₹2,000 per month to master crafts person aged 60 years or above, who are recipients of national awards or merit certificates or state awards in handicrafts and whose private income is less than ₹30,000.
Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)	It is a voluntary contributory scheme for unorganised workers' economic security during old-age. It covers home-based workers, street vendors, cobblers, rag pickers, domestic workers, rikshaw pullers, landless labourers, own account workers etc.
National Pension Scheme for Traders and Self-Employed Persons	Provides old age social security to retail traders, shopkeepers or self-employed persons with an annual turnover of less than ₹1.5 crore.
Atal Pension Yojna (APY)	A contributory pension scheme for unorganised workers who do not pay income tax (maids, delivery boys, gardeners etc).
Pradhan Mantri Kisan Man Dhan Yojana (PM-KMY)	Provides pension of ₹3,000 per month to small and marginal Farmers on attaining the age of 60 years, upon contributing between ₹55 to ₹200 per month depending on the age of entry.
B. Insurance Schemes (life/accidental and disability)	
Aam Admi Bima Yojana (AABY)	It provides financial support in the event of economic distress in the case of death or in case of a disability (permanent or partial)

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Central Social security Welfare Schemes	Key Vision
Handloom Weavers Comprehensive Welfare Scheme (HWCWS)	It provides life, accidental, and disability insurance coverage to handloom weavers.
Handicraft Artisans Comprehensive Welfare Scheme (HACWS)	It provides health and life insurance coverage for handicraft artisans.
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	Provides life insurance cover to unorganised workers (18-50 years) of ₹2 lakh, on payment of premium of Rs. 330 per annum.
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	Provides insurance to unorganised workers (18-70 years) - ₹2 lakh on accidental death or full disability, and ₹1 lakh on partial disability, on payment of a premium of ₹12 per annum.
C. Maternity Related Schemes	
Janani Suraksha Yojana (JSY)	It provides conditional cash transfer to reduce maternal and neonatal mortality by promoting institutional delivery among pregnant women. The amount varies across rural and urban areas and low as well as high performing states.
Pradhan Mantri Matru Vandana Yojana (PMMVY)	It provides conditional <i>cash transfers to pregnant women and lactating mothers</i> for the first live birth; cash benefit of ₹5,000.
D. Support Schemes for Vulnerable (Cash/Kind)	
Indira Gandhi National Widow Pension Scheme (IGNWP)	Provides ₹2000 per month to widows who are less than 60 years
Pradhan Mantri Kisan Samman Nidhi (PMKISAN)	PM-KISAN is an <i>income support scheme</i> that provides small and marginal farmers with up to ₹6,000 per year to support their financial needs.

(contd. ...)

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Central Social Security Welfare Schemes	Key Vision
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	It aims to ensure <i>livelihood security</i> by guaranteeing 100 days of employment to every rural household, in a year.
Public Distribution System (PDS)	It aims at ensuring <i>food security</i> , as mandated by the National Food Security Act (NFSA), 2013, by providing certain essentials such as pulses, wheat, rice, etc., at a subsidised rate to poor families.
National Scheme for Welfare of Fishermen	It provides financial assistance to fishermen primarily during lean seasons and for some other purposes
Indira Gandhi National Disability Pension Scheme (IGNDPS)	It provides citizens with <i>severe disabilities</i> above the age of 18 years, with up to ₹300 per month, to protect them from economic distress due to disability.
E. Family Benefit Schemes	
National Family Benefit Scheme (NFBS)	It provides single-time payment of ₹10,000, in the case of the death of the primary earner of a family.
F. Health Care	
Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY)	It aims at protecting poor households against the <i>financial shock of hospitalisation</i> . It provides a cover of up to Rs.5 lakh per family, per year, for secondary and tertiary care hospitalisation at public and empanelled private hospitals.

Source: Compilation from various sources.

Annexure 2:

Some Major Social Security Programmes in Brazil

Programs	Key Vision	Target Group
1. Guaranteed Minimum Income		
Bolsa Família	Consists of a <i>conditional</i> cash transfer that provides a basic monthly income to families whose monthly per capita income must classify them as extremely poor. The cash transfer amount is higher if household includes pregnant, nursing women or children upto 17 years.	Targets low-income population through income criteria
Continuous Welfare Scheme (BPC)	Provides a cash amount equivalent to the minimum wage and defined as a constitutional right for persons with disabilities ((long-term, physical, mental, intellectual, or sensory) or elderly people above age 65 with insufficient pensions and no other economic resource.	Targets low-income population through income criteria
2. Government-paid Labor Incentives		
Salary Bonus	For those, who receive low wages (less than twice the national minimum wage on average) are provided with a lumpsum amount proportional to the number of months worked as a bonus during the year	Targets low income population but restricted to Formal Workers only
3. Government-paid Worker Leave Benefits		
Maternity and paternity leave, sick leave and injury pay		Not targeted at low-income population; Restricted to Formal Workers only

(contd. ...)

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Programs	Key Vision	Target Group
4. Government-paid Insurance		
Unemployment insurance Like Unemployment Insurance for Artisanal Fishermen, Unemployment Insurance for Formal Workers, Unemployment Insurance for Domestic Workers, Unemployment Insurance for Professional Qualification and Unemployment Insurance for Rescued Workers, Unemployment Insurance for Domestic Workers, Unemployment Insurance for Professional Qualification and Unemployment Insurance for Rescued Workers	A Constitutional benefit that provides temporary financial assistance to formal workers involuntarily dismissed, paid with public funds. The duration and amount of payment depend on how long the worker was employed in the formal economy, as well as how often he or she may have requested unemployment insurance in the past	Formal Workers only
Garantia Safra	An income insurance linked to agricultural production and targets poor and vulnerable smallholder farmers in drought-prone region, mostly in the northeast Brazil (Milhorance et al., 2020)	For poor and vulnerable smallholder farmers in drought-prone region

(contd. ...)

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Programs	Key vision	Target Group
5. Employer- paid Insurance		
FGTS (Severance Indemnity Fund for Employees)	Is a mandatory savings mechanism wherein each month, employers contribute the equivalent of 8% of employees' income to an individual savings account	Formal Workers only
6. Pension Schemes		
Rural pension scheme	Rural workers contribute an amount equivalent to 2.1 per cent of their production sold each year for receiving an annual pension equivalent to the current minimum wage	For rural works only; semi-contributory

Source: Compilation; Souza et al. (2021)

Annexure 3:

Some Key Social Security Schemes in Contemporary China

Central Social Security Schemes	Key Vision
Social Insurance (Contributory Schemes – both Employer and Employees)	
Pension Insurance	Designed to provide financial support to employees after retirement
Unemployment Insurance	Designed to provide financial support to individuals who faultlessly lost their jobs within a certain period
Urban Employee Basic Medical Insurance	In the event of illness/non-occupational injury an employee can have part of the treatment cost covered by medical insurance. It was mandatory for urban residents with formal jobs, was launched in 1998. The basic medical insurance plans cover primary, specialty, hospital, and mental health care, as well as prescription drugs and traditional Chinese medicine
Work related Injury Insurance	Designed to cover cost of treatment in the event of an occupational injury or illness; Paid for by the employer
Maternity Insurance	Designed to cover part of the female employee's medical expenses of childbirth and their salary during maternity leave; Paid for by the employer
Social Assistance/ Social Safety Net - in cash (provided by the State) - Means-tested	
Minimum livelihood Guarantee (Dibao)	Cash payment for individuals living below the poverty line (set by local governments); separately for rural and urban areas
Category Assistance (provided by the State)	
Minimum pension for elderly	Contributory pension scheme for <i>non-working urban and rural residents</i> age 16 and above. It is a minimum pension supported by the central and local government along with individual account.

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Central Social Security Schemes	Key Vision
Needy children assistance	Provides right to assistance for all needy children who have difficulties in livelihood, medical care and schooling due to family poverty, or in rehabilitation, care, nursing, and social integration due to their own disabilities and children whose personal safety is threatened due to lack of family custody or improper custody
Disability assistance	Provides for living subsidies, nursing subsidies and rehabilitation training for disabled children.
In-kind Assistance (Provided by the State) - Means-tested	
Medicaid	The targeted recipients of Medicaid are mainly Dibao and low income families who are assisted through medical expense reduction and exemption.
Housing assistance	Local government give priority to Dibao and low-income families to allocate the public rental housing, grant rental subsidies for the low income families in housing difficulties in urban areas; and give priority to include them into the project to renovate dilapidated houses and renovate their houses as early as possible in rural areas.
Educational assistance	The State should provide educational assistance to students in the compulsory education attendance stage who are the members of families covered by Dibao and low-income families. The government also overnment supports the student such as reducing or exempting tuition fees, granting aid and providing living allowance to ensure that students' basic needs in life and study can be met.
Temporary assistance	The government provides this assistance to families or individuals, not covered or despite other forms of social assistance, for those whose living necessities could not be guaranteed because of emergencies, unexpected harm, major disease or other unusual factors, so as to help them cope with the emergency situation.

Source: Compilation from Lixiong (2018) and

<https://www.asiabriefing.com/countryguide/china/human-resources-and-payroll/socialinsurance>.

Annexure 4: Some Key Social Security Schemes In Germany

Social Security Schemes	Key Vision	Type of Program
A. For Old Age		
Old-age pension	Mandatory <i>Contributory</i> (employer and employee) scheme for all Employed persons, including apprentices; and under certain conditions self employed persons; military personnel; caregivers; and persons receiving unemployment, sickness, and other benefits. Special systems for certain self-employed persons, miners, public-sector employees, civil servants, certain military personnel, and farmers.	Social Insurance
Basic income support	For needy Germans as well as foreign citizens under certain conditions. Non-contributory scheme with cost borne by the government. To be eligible, an individual must be unable to provide for his/her own subsistence, and have reached the normal retirement age or be assessed with a permanent total loss of earning capacity. Basic income support is not provided if a parent or child has an annual income above €100,000.	Means-tested Social Assistance
B. Disability		
Disability pension	<i>Contributory</i> scheme for individuals who have a total loss of working capacity due to illness or disability (inability to work more than 3	Social Insurance

(contd. ...)

(contd. ...)

Social Security Schemes	Key Vision	Type of Program
	hours a day under general labor market conditions), and have at least five years of contributions and 36 months of compulsory contributions in the last five years before the disability began.	
Partial disability pension	Same as above but to be eligible individual who are able to work for more than 3 hours and less than 6 hours per day under general labour market conditions.	Social Insurance
C. Sickness		
Sickness benefit	Contributory; 70% of the insured's gross earnings (up to 90% of net earnings) is paid for up to 78 weeks in a three-year period for the same illness. The employer pays 100% of the insured's gross earnings for up to the first six weeks.	-
D. Maternity Related Schemes		
Maternity benefit	<i>Contributory</i> scheme for <i>all</i> employed women covered under either statutory health insurance or private health insurance, 100% of the insured's average net earnings (up to €13 a day from the sickness fund with the remainder paid by the employer) in the three months before the maternity leave began is paid for six weeks before and eight weeks after childbirth (12 weeks after childbirth for premature or multiple births or if the child is assessed with a disability). For self employed, it is voluntary.	Social Insurance

(contd. ...)

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Social Security Schemes	Key Vision	Type of Program
E. Survivors and Orphans		
Spouse's pension	Contributory scheme for spouses of the deceased individuals who had at least five years of contributions or was a pensioner at the time of death.	Social Insurance
Orphan's pension (Waisenrente)	<i>Contributory</i> scheme paid for children younger than age 18 (age 27 if a student; in training; participating in a voluntary social, ecological, or federal service year; or disabled). Supplements depend on the length of the insured's contribution period and other factors.	Social Insurance
F. Employment Injury		
Temporary disability benefit	<i>Contributory</i> scheme for Employed persons, some categories of self-employed persons, persons engaged in specified voluntary activities, apprentices, and students. 80% of the insured's last gross earnings up to the last net income is paid from the day after the disability began until recovery or the award of a transition allowance, whichever occurs first (in most cases, the employer pays for the first six weeks or upto 78 weeks if occupational rehabilitation is not possible).	Mandatory Social insurance system but voluntary for self employed. Government subsidizes agricultural accident insurance and contributions for students, children in day care institutions, and persons engaged in specified voluntary activities.

(contd. ...)

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Social Security Schemes	Key Vision	Type of Program
Permanent disability pension	For a total disability (100% assessed loss of earning capacity), 66.7% of the insured's gross annual earnings in the year before the disability began is paid.	Same as above
Spouse's and orphan grant	A lump sum of 40% of the deceased's gross annual earnings in the last year is paid if survivors are in eligible for a survivor pension and the deceased had at least a 50% assessed loss of earning capacity.	Borne by the Employer
G. Unemployment		
Contributory unemployment benefit	Mandatory <i>Contributory</i> scheme for all employed persons, including household workers, apprentices, and trainees; and certain other persons, including recipients of sickness benefits and persons raising a child. <i>Voluntary</i> for self employed persons while persons in irregular employment are excluded.	Social Insurance
Unemployment benefit	A basic monthly benefit of €332, €374, or €416 is paid, depending on the family composition.	Means-tested Social Assistance
H. Family and Child Support		
Child benefit	€194 a month is paid for the first and second eligible child; €200 for the third; €225 for each additional child. Child benefits are paid retroactively for up to six months	Universal social assistance system.
Children's allowance	Up to €170 a month for each eligible child is paid	Income tested social assistance system

(contd. ...)

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Social Security Schemes	Key Vision	Type of Program
Parental benefit	At least 67% of the parents' net income in the 12 months before childbirth is paid, up to €1,800 (€300 if not employed) a month. The benefit is paid for up to 12 months (or 14 months for single parent)	Income tested social assistance system
Minimum income support	The difference between the beneficiary's assessed monthly need (basic monthly need, reasonable housing costs, and additional individual needs) and net monthly income is paid. Pregnancy and single parent supplement	-
I. Health Care		
Statutory Health insurance scheme	Doctors, hospitals, and pharmacists under contract with sickness funds provide benefits to patients. Benefits include comprehensive medical and dental care, preventive examinations and treatment, laboratory tests, hospitalization, surgery, rehabilitation, medical equipment, pregnancy and maternity care provided by a midwife or doctor, abortion, sterilization, and prescribed medicine.	Mandatory health insurance for all citizens and residents through either statutory health insurance or private insurance

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