

**REPORT
OF
THE WORKING GROUP
ON SOCIAL SECURITY FOR
TWELFTH FIVE YEAR PLAN
(2012-17)**



Ministry of Labour & Employment

Preface

In the process of formulating the Twelfth Five Year Plan, the Planning Commission constituted a Working Group on Social Security.

In India out of total workforce of 45.9 crore, 94% is in the unorganized sector and remaining 6% is in the organized sector. The workers in the organized sector are covered under social security legislations like Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. However, the majority of workforce in the unorganized sector was devoid of any formal social security legislation. To address the social security needs of such workers, the Government enacted 'Unorganised Workers' Social Security Act, 2008.

In view of wide ranging terms of reference, the Working Group, in its first meeting constituted four Sub Groups to deliberate upon the issues. Taking the benefit of the recommendations of the Sub Groups, the Working Group has formulated its Recommendations. It is hoped that these recommendations would be useful for formulation of the Twelfth Five Year Plan.

I appreciate the efforts put in by the Convener of the Working Group, Shri Anil Swarup. I would also like to place on record my sincere thanks to the Conveners of Sub Groups and all Members of the Working Group for their valuable suggestions to expand the social security net for the workforce in the country.

SD

(Mrutyunjaya Sarangi)
Secretary
Ministry of Labour & Employment

REPORT OF THE WORKING GROUP ON SOCIAL SECURITY **FOR THE TWELFTH FIVE YEAR PLAN**

1. INTRODUCTION

The Planning Commission vide its Order No.Q-20017/5/2011/LEM/LP, dated 07.04.2011, constituted a Working Group under the Chairmanship of Secretary (Labour and Employment). The composition and terms of reference of the Working Group are enclosed as **Annexure-1**.

Social security is essential for the well-being of people and society. It is a basic human right (though not one of the constitutional fundamental rights), and its fulfillment will contribute to achieving various developmental goals of the nation. Social security measures will have far-reaching benefits in the form of reducing infant and maternity mortality rates, improving productivity and promoting sense of pride and self-respect amongst the citizens. Such measures will also help in eradicating poverty to some extent. Starting from the minimal level of providing protection against health and life hazards in work situations, it can progressively be extended to social security welfare measures involving provision of better health care, maternity care, old age provisions, etc. Such social security can and, perhaps be extended to one and all.

2. BACKGROUND

Social security to the formal sector workers has been provided through the instrumentality of Employees State Insurance Corporation and Employees Provident Fund Organization. Recently, the Employees State Insurance Act, 1948 has been amended to enable ESI infrastructure to provide health care to workers in the unorganized sector. The initial coverage of unorganized sector workers was in the limited context of Beedi workers, cine workers and non-coal mine workers. However, the Government constituted the National Commission for Enterprises in the Unorganized Sector (NCEUS) that submitted its Report in the year 2007 to evolve instruments through which social security could be provided to the unorganized sector workers. Finally, a legislation “Unorganized Social Security Act” was enacted in 2008.

3. PROCEEDINGS OF THE WORKING GROUP

A. Constitution of Subgroups

The Working Group, in its meeting held on 23rd June, 2011 to discuss the terms of reference of the Group decided to constitute the following four Subgroups for an in-depth discussion:

Subgroup I

- (i) To review the existing social security measures for organized workers.

- (ii) To suggest division of responsibility for implementation of a wider social security system among the Centre, State, Employers and Employees.
- (iii) To examine the functioning of institutions such as ESIC, EPFO, Welfare Boards etc. and to suggest necessary reforms so as to strengthen these organizations.

Subgroup II

- (i) To review the existing social security measures for unorganized workers ;
- (ii) To suggest a strategy for providing social security cover to these workers; and
- (iii) To suggest prioritization for extending social security coverage by category of workers such as agricultural workers, weavers, handloom workers, fisherman, toddy tapers, leather workers, plantation workers, Beedi workers and construction workers etc

Subgroup III

- (i) Review of Minimum Wages Act at State Level and recommend institutional mechanism and legislative measures that would ensure at least minimum income to most of wages employed; and
- (ii) Review the Status of Construction Workers Welfare Fund and the utilization of the same for construction workers across the country.

Subgroup IV

Delivery mechanism for both unorganized and organized workers.

B. Social Security for Organized Workers

The following aspects emerged while examining the legislation relating to the social security for organized workers:

- (i) It was noted that all the legislations cater to medical care, sickness, maternity, employment injury benefits, old age benefits etc.
- (ii) In the Indian context, there weren't very many additional benefits which could be added to the existing ones for the organized sector workers.
- (iii) It was also felt that the Group should focus only on provisions of health care, accident benefits, sickness and maternity which are broadly covered by ESI Act, EPF Act, Workmen Compensation Act (now known as Employees' Compensation Act, 1923) and the Maternity Benefit Act.
- (iv) It was pointed out that none of these Acts cover self-employed persons.

- (v) It was felt that the criteria for coverage of various Acts such as threshold, the wage ceiling limits etc. should be uniform so that convergence of these schemes could be considered.
- (vi) Once the coverage criteria was made uniform, some of the aspects such as joint inspection, single contribution for multiple benefits etc. could be considered.
- (vii) There was a view that separate schemes need to be framed for different sections of workers having different risk perception as some of the employments are not accident prone or are not susceptible to occupational diseases. Therefore, for such sections, the contribution rate could be reduced. It was also suggested that the Associations or Trade Unions representing different sections of employees could be utilized for providing benefit to that particular section e.g. ESIC has been able to cover cine workers in Mumbai with the help of active cooperation of Cine Workers Trade Unions.
- (viii) Another point highlighted was that there was an overlap in provisions of benefits for some contingencies by different schemes e.g. both ESI and EPF provide disablement and dependants benefit which could be avoided if uniform coverage criteria is adopted. Convergence will also result in cost saving since different organizations are performing same functions and could lead to better utilization of available resources.
- (ix) Following points need to be considered in detail:-
 - a. A factory once covered should always remain covered irrespective of change in the number of employees covered.
 - b. There should be uniform wage ceiling under all the Acts.

- c. The definitions of factory, wages, and employees should be uniform under all Acts.
- d. Problem of increasing cost of medical care and ageing of population needs to be looked into.
- e. With regard to new benefits that could be introduced, one of the benefits could be compensation for death other than due to employment injury.

C. Social Security for Unorganized Workers

i) Nature of Social Security

As the word social security conveys different meanings to different people in different contexts, it is necessary to define the components that comprise social security. The essential components of social security that need consideration are as follows:

(a) Life and Disability Cover:

Protection of life comes on top of all priorities in all situations. Every one is exposed to the risk of untimely death due to disease or accident. The exposure in unorganized sector is all the more because of sub-standard living and deficient care. Whereas addressing these reasons like improving living standards is desirable on one hand, it is absolutely essential on the other to provide some sort of financial assistance for the family to carry on till emerging of alternatives. The concept of life insurance addresses this issue,

but the workers in un-organized sector can hardly afford individual life insurance policy for following reasons:

1. Financial inadequacies
2. Not literate enough to understand concept of insurance and choose the right one
3. Sustaining the protection over a period of time

The need for life insurance cover for this segment is more than those in organized sector because some or other sort of protection and benefit is available to them through employers and other institutions. What is required for this segment is a very simplistic module covering the basic element of risk cover made available to them at a very low cost. Such protection may be made available to them either from government funds, or on co-contribution basis. Sometimes a person is left with partial or total disability as a result of accident. This not only affects his income earning capacity, but also enhances expenses on account of treatment. While detailed health care may be addressed separately, some financial protection in terms of disability cover in case of partial or permanent disability should be made an essential component of social security for all.

b) Old Age Income Security

A person makes up his living by skilled or unskilled work according to his capacity, background and opportunities available in the market. His capacity to do physical work goes on diminishing with increase in age and a stage comes when he can do no more of physical work or becomes unemployable on account of old age. In joint family system, some family support was in-built. But with disintegration of joint family system, old age quite often becomes real curse, if his financial needs are not taken care of. To address this issue comprehensively, there should be a mandatory provision of old age pension for every unorganized worker. For this, all employers and institutions along with government may provide funding. Nominal co-contributions may also be taken from the workers themselves so as to make the benefit more meaningful. For this purpose, a comprehensive mechanism for providing pension benefits by the Government on its own, or in collaboration with insurance companies, should be devised and the scheme should be extended to all the workers in the unorganized sector in the country.

c) Health Care and Maternity Benefit

Without a proper system of health care, country can not go long on the path of progress and development. At present, health care system is outside the reach of unorganized workers and poor people. Some beginning in this area has been made by way of Rastriya Swasthya Bima Yojna which provides cash-less health care to workers and poor people. The same can be made more broad based covering people at the mass level with a matching increase in the network of medical facilities/hospitals so that the same is within the reach of people. All in all, there should be a comprehensive

health cover scheme where under a common man can avail of medical facilities without involving any cash payment and he does not have to travel much for medical care.

ii) **Convergence of Social Security Schemes**

While there is multiplicity of social welfare scheme run by different government units at central and state level, there is bound to be some amount of confusion at the level of beneficiaries as to what exactly they are entitled to. This involves the problem of duplication of efforts, record keeping and there is also a possibility of double or multiple benefits reaching the same person under different schemes by way of manipulation. Administration of each scheme involves huge administrative cost. Hence presence of large number of schemes for the same common cause makes up a very strong case for rationalization of the whole system leading to convergence of all schemes and benefits under one umbrella, if possible. This will save huge costs on one hand, and simplify the system from beneficiaries point of view on the other hand. There should be one centralized data base for all the social security schemes and access to the social security benefits should be made available against one single identity number. Further, it is felt that although technically there is lot of scope for extending social security cover to a variety of areas list here-in-above, but an all inclusive comprehensive provision will require huge resources. It will therefore be prudent to divide the social security needs in to two levels. The minimum social security floor involving the basic components of security at its minimal level and other security needs which can be added or built later according to convenience and affordability. As a part of minimum social

security floor, following needs of social security may be addressed immediately leaving others to be added or built up later depending upon affordability and convenience.

- (1) Life and Disability Cover : Natural and Accidental deaths and accidental disability, partial or permanent;
- (2) Old Age Income Security : Pension solution; and
- (3) Health Care Support.

It was felt that all the state and central schemes of aforementioned nature should be converged in to one single scheme or fewer schemes keeping in mind the regulatory restrictions where under life cover and pension benefits can be provided by life insurance companies, health care can be provided by non-life insurance companies. But the central idea should be convergence of all schemes reducing to one single interface between beneficiaries on one side and the service providers on the other side. This solution should duly leverage the advancements in technological sphere so as to save on cost.

iii) Universalization of Social Security

There is a need for universalization of social security. It was felt that the minimum social security floor should be available to every worker in the unorganized sector. For this purpose, adopting of a broad based definition would be useful.

iv) Implementation Issues

Strong administrative mechanism is required for implementation of universal social security scheme for all. Merits of the scheme apart, the scheme is unable to take off, sometimes, because of lack of interest on the part of key implementers. Many of the central government schemes where state government was required to commit some resources were not implemented by all states uniformly. Minimum social security floor should be a central subject and should be mandatory for all eligible people through the length and breadth of the country. If states are willing, they can make provision for additional welfare measures or higher covers within their resources.

The greatest problem that has been faced in the past is identification of beneficiaries, their enrolment and making them aware to participate in the scheme. This will require setting up vast number of 'workers facilitation centers' near the actual location of workers, for the purpose of registration and providing a single point inter face between the workers and social security service providers. These WFCs (Workers Facilitation Centers) should be duly networked on technology so that cost effective and real time information can be processed at a fast speed. Every worker should be issued a single multi-purpose smart card on which a variety of transactions can be made. Entire history of benefits, work details, health etc should be available against this identity.

There should also be provision of 'Central Data Exchange or Warehouse' where entire information can be pooled and analyzed. The data

exchange can provide important inputs on health, deployments, education etc which can be very strategic from planning and research point of view.

D. Minimum Wages Act

The Constitution of India envisages a just and humane society and accordingly gives place to the concept of living wage in the Chapter on Directive Principles of State Policy. Even though there is no uniform and comprehensive wage policy for all sector of the economy in India, mechanism exists for determination of wages in the organized and unorganized sector and their enforcement. Wages in the organized sector are determined through negotiations and settlements between employers and employees. In unorganized sector, where labour is vulnerable to exploitation due to illiteracy and having no effective bargaining power, minimum rates of wages are fixed both by the Central and State Governments in the scheduled employment falling within their respective jurisdictions under the provisions of the Minimum Wages Act, 1948. The Act binds the employers to pay to the workers the minimum wages so fixed from time to time. The wages for the huge informal sector cannot be left to be determined entirely by the interplay of the market forces and, therefore, intervention of the Government becomes necessary. As of now there is no uniform and comprehensive wage policy for all sectors of the economy in India. It is with this objective of protecting the vulnerable/less privileged strata of the society from exploitation that Government of India enacted the Minimum Wages Act, 1948. The Act provides for fixation/revision of minimum rates of wages Act, 1948 in sweating employments for invoking the authority of States.

The Minimum Wages Act 1948 provides for fixing the minimum wages payable to any person who is in an employment specified in the schedule. The Minimum Wages Act is applicable to “*every person who is employed for hire or reward to do any work, skilled or unskilled, manual or clerical, in an employment specified in the schedule and in respect to which minimum rates of wages have been fixed. This includes an out-worker to whom any articles or materials are given out by another person to be made up, cleaned, washed, altered, finished, repaired or otherwise processed for sale.*” The authority that fixes minimum wages for a given employment through a government notification and enforces this Act is the state government. The minimum wage consists of two components. The first is the basic rate per day or per month and the second component is called the “special allowance”. The basic rate for a given industry and for a given class of employees is fixed once in every few years and varies by location of work in rural and urban areas, city and towns. The special allowance, or cost of living allowance, is revised every six months and varies by the place of work. Once in every few years, the basic rate is itself revised upwards to reflect the current prices at the time of the revision.

Under the Minimum Wages Act, the procedures for fixing and revising of minimum wages are vague. The Act says that “when fixing minimum wages in respect of any scheduled employment for the first time or in revising minimum rates of wages so fixed, the appropriate government shall either (a) appoint as many committees or sub-committees as it considers necessary to hold enquiries and advise it in respect of such fixation or revision, as the case may be or (b) by notification in the official Gazette,

publish its proposals for the information of persons likely to be affected thereby and specify a date on which the proposals will be taken into consideration.” After considering the advice of the committee or committees appointed or response to the Gazette the government shall fix or revise the said minimum wage rates.

By the Apprentices Act 1961, the minimum wages for apprentice-helpers should amount to seventy five per cent of the minimum statutory wage of a skilled worker in the same category. Minimum wages are applicable to piece-rated as well as time-rated workers. For the piece-rated workers the minimum wage per piece should be calculated in such a way that “wages are not less than the minimum time-rate” (GOM 2001).

The Minimum Wages Act covers all workers in scheduled employments, in the formal and the informal sectors. In 2002, in the central sphere minimum wages act covered only 47 scheduled employments. In the same year the highest number of employment schedules was 90 in Tamil Nadu while the lowest number of schedules was 15 in Manipur.

The Minimum Wages Act also provides for regulation of hours of work, overtime wages, and benefits related to leave and holidays to workers. According to the hours of work regulation, a “normal working day” should not exceed 9 hours for an adult worker, including at least one break of 30 minutes. According to the overtime work regulation, any work beyond the “normal working day” should be considered as overtime work and the worker is required to be compensated at twice the statutory minimum wage for the overtime work.

The enforcement of the Minimum Wages Act, 1948 is secured at two levels. While in the Central Sphere, the enforcement is secured through the Inspecting officers of the Chief Labour Commissioner (Central) commonly designated as Central Industrial Relations Machinery (CIRM), the compliance in the State Sphere is ensured through the State Enforcement Machinery. They conduct regular inspections and in the event of detection of any case of non-payment or under-payment of minimum wages, they direct the employers to make payment of the shortfall of wages. In case of non-compliance, penal provisions of fine upto Rs.500/- or 6 months imprisonment or both are prescribed under Section 22 of the Act.

In order to protect the minimum wages against inflation, the Central Government mooted the idea of Variable Dearness Allowance (VDA) in terms of recommendation of the Labour Ministers' Conference held in 1988. Accordingly, the appropriate Governments revise the minimum rates of wages from time to time as per the provisions of the Minimum Wages Act, 1948. The Central Government and 23 State Governments/Union Territory Administrations have adopted the VDA as a component of minimum wage and revise twice a year or annually taking in to account the rise in Consumer Price Indices. In the Central sphere, the minimum rates of wages are revised effective from 1st April and 1st October every year.

The Central Government introduced a National Floor Level Minimum Wage (NFLMW) in 1996 and has revised from time to time on the basis of the rise in the All – India Consumer Price Index for Industrial Workers. The National Floor Level Minimum Wage, which is a non-statutory measure, is

presently fixed at Rs.115/- per day with effect from 01.04.2011. Accordingly, all the State Governments/Union Territory Administrations have been requested to fix/revise minimum wages in such a way that in none of the scheduled employments, the minimum wage is less than National Floor Level Minimum Wage of Rs.115/- per day at present.

A major criticism of the implementation of the Minimum Wages Act is that it is applicable only to scheduled employments and does not include all workers. Thus, if the appropriate governments fail to include a particular employment within an industry in the employment schedule, the Minimum Wages Act does not cover all workers in that employment.

E. Building and Other Construction Workers

Under the Building and Other Construction Workers (RECS) Act, 1996 every State Government has to constitute the Building and Other Construction Workers Welfare Board. The Board is mandated to perform the following functions:

- (a) Provide immediate assistance to a beneficiary in case of accident;
- (b) Make payment of pension to the beneficiaries who have completed the age of sixty years;
- (c) Sanction loans and advances to the beneficiary for construction of a house;
- (d) Pay premiums for Group Insurance Scheme of the beneficiaries;
- (e) Give financial assistance for the education of children;
- (f) Meet medical expenses for treatment of major ailments;

- (g) Make payment of maternity benefit to the female beneficiaries;
and
- (h) Make provisions and improvement of such other welfare measures
and facilities as may be prescribed.

Under Section 24 of the said Act, the Board has to constitute a fund called Building and Other Construction Workers Welfare Fund. The fund is applied for meeting the expenses of the Board in the discharge of its functions, salaries allowances and other remuneration of the members, officers and other employees for the Board and expenses on objects and for purpose authorized by the Act.

The major source of the fund is the collection of cess. Cess is collected @1% of the cost of construction incurred by the employer under the Building and Other Construction Workers Welfare Cess Act, 1996 in accordance with the procedure given in the Cess Act and Building and other Construction Workers Welfare Cess Rules, 1998.

As per the information received from the State Governments, 33 States/UTs have constituted Welfare Board. The Statement showing cess collected and expenditure incurred by the Welfare Boards is given in the Annexure.

It is seen that the utilization of fund by most of the Welfare Board is minimal. A huge amount is lying unspent as some States have not been able to register workers and formulate and implement welfare schemes for the construction workers. The Central Government has been writing to the

States at various levels. Regular meetings have also been held. In view of the problems faced in the implementation of the Act, suggestions were received for amending the Act. Accordingly a proposal for amending the Act is under consideration of the Government. The proposal, inter-alia, incorporates the provisions for constitution of Board under the Chairmanship of Secretary, Department of labour where the regular Board is not constituted as per the provisions of Section 12(1) of the BOCW(RECS) Act. The proposal also contemplates bestowing power on Central Government to levy and collect cess where the State Government fails to levy and collect cess under the Act and also formulate and implement welfare schemes where the State Government fails to do so.

F. Delivery Mechanism

The Group recognized the need for rationalization of the existing processes relating to delivery of various social security benefits to both organized as well as unorganized workers. It was felt that a number of laudable schemes had failed to deliver the desired results because of complex processes and procedures inherent in delivery of benefits under such schemes, thereby defeating the purpose of the entire scheme. Available evidence on various such programmes, including the evaluation studies on the programmes by the Planning Commission of India, almost unanimously points out delivery deficit in most of the social security programmes.

Such deficit includes:

1. Lack of delivery infrastructure at the level of state governments (e.g. Planning Commission 2009),
2. Lack of organizational capabilities on the part of delivery agencies (e.g. Planning Commission 2009a; Pandey and Pant 2000),
3. Misidentification of the programme beneficiaries due to both type I (exclusion) and type II (inclusion) errors (e.g. Suryanarayana 2008; IAMR 2008; Ajwad 2007; Ramaswami 2005; Planning Commission 2005; Srivatsava 2002; Gaiha 2000; Pandey and Pant 2000),
4. Incidence of corrupt practices, rent seeking by the administration and delivery agencies, and elite capture of the schemes (e.g. Jha *et al.* 2009; Cheriyan 2006; Ramaswami 2005; Planning Commission 2005; CMS 2005; Srivatsava 2002; Pandey and Pant 2000; Lieten and Srivastava 1999) and
5. Lack of awareness on the part of people regarding details of schemes as well as their own entitlements (e.g. Planning Commission 2009a; Upvan 2008; Pandey and Pant 2000).

Various conferences and workshops organized by Social Security Association of India also point out similar delivery deficit plaguing the schemes of their focus in these conferences. It was widely acknowledged at the Round Table Conference on Handloom workers organized by the Association at Ahmedabad on 17 February 2009 that in most cases the benefits did not reach the intended beneficiaries and awareness on the schemes among the beneficiaries was ‘extremely poor’. Similar observations were made in the National Seminar on Migrant workers at Bhubaneswar on 23 October 2010. It was further pointed out at a seminar on Universalization of Social Security organized by on 31 July 2009 at Kolkata that in the case

of Building and Other Construction Workers Act a huge amount of money has been collected through the cess levied under the Act. The amount is, however, not disbursed as ‘the channels are not there to provide the money to those in need’.

Ministries and Departments administering the social security schemes are also facing similar issues according to their monitoring and evaluation reports and internal studies carried out by them. It is thus being increasingly recognized that if the issues concerning delivery of the programmes are not addressed adequately the outcomes and impact of the programmes are likely to remain less than satisfactory with associated wastage of financial and other resources.

It is therefore important to identify appropriate delivery channels and design adequate delivery mechanisms for social security that have the capability to reach all the intended beneficiaries while avoiding leakages of benefits, and favouritism and rent seeking on the part of administrators of the schemes. Such channels and mechanisms should also be capable of making the beneficiaries aware of their rights and entitlements, and enhancing their participation in administering the programmes. It is also important that the delivery platforms are adequately backed and supported by relevant technology.

4. RECOMMENDATIONS OF THE WORKING GROUP

(A) Organized Workers

- (1) Convergence of various schemes for the organized sector avoids duplication of benefits (both EPFO and ESIC provide disablement and death benefits). This will also result in reduction of administrative costs since both the organizations have vast infrastructure which can be utilized if some of the functions are combined.
- (2) Registration/identification of employees, inspecting machinery, etc. can be combined as also functions such as inspections, etc. could be combined for ESIC, EPFO and payment of gratuity.
- (3) Use of IT applications in organizations, like ESI and EPF to provide transparency and better services.

(B) Unorganized Workers

- (1) **Health Insurance:** The Rashtriya Swasthya Bima Yojana has been lauded both within the outside the country for its use of IT application to deliver in-patient health care through a smart card. This platform can now be leveraged for providing other services of the unorganized workers. There is also a need of setting up a robust backend database management system that can handle the data that is being generated more effectively as also to provide a platform for its use for other social security schemes. As health insurance expands to more and more categories and as the social security platform is used for delivering other services, it would be imperative to set up such a structure at a national level.

(2) **Pension:** Whereas Government has made efforts to put in place Swawlamban scheme for providing pension to unorganized workers, it is essential to look at the various processes and procedures in terms of registration of workers and their enrolment for the scheme with a view to enabling more and more participation in the scheme. A comprehensive review of these processes will enable their rationalization so as to facilitate greater participation of workers in the scheme which is in the long-term interest of these workers. A business model on the lines of Rashtriya Swasthya Bima Yojana may also be considered for encouraging all the stakeholders to participate in the scheme.

(3) **Life Insurance:**

The existing life and disability cover available under the ongoing Rashtriya Swasthya Bima Yojana should be universalized for all unorganized workers as a part of the minimum security floor. As far as possible, efforts should be made to use the Rashtriya Swasthya Bima Yojana smart card platform for housing the data related to life and disability insurance.

(C) **Minimum Wage:**

To make the provisions of the Minimum Wages Act, 1948 more effective and to enlarge its scope and coverage, comprehensive amendments to the Act are under consideration of the Government. The proposed amendments to the Act include:

- (i) Providing statutory status to the National Floor Level Minimum Wage and inclusion of “Any Other Employment” in the schedule besides other amendment proposals. This would statutorily ensure the National Floor Level Minimum Wage of Rs.100/- per day at present and as revised from time to time, to the weaker sections especially the contract and casual workers in all employments in different States/Union Territories as well as the Central Sphere.
- (ii) The other amendments proposals are to delete provision relating to fixation of differential minimum rate of wage (adolescents, children etc.); to make provision for issue employment cards; to enhance the amount of compensation from Rs.10 to Rs.100; to enhance fine and imprisonment etc.
- (iii) Strengthen the enforcement machinery.

(D) **Construction Workers**

The Building and Other Construction Workers Act, 1996 as well as Building and Other Construction Welfare Cess Act need to be amended suitably to ensure that the provisions of the Act are implemented effectively. A provision should be incorporated in the Act to enable the Central Government to take over the activities in terms of collection of Cess and implementing welfare schemes where it is found that the States are unable to do so.

