



GOVERNMENT OF KERALA

**MAJOR SOCIAL SECURITY INITIATIVES  
IN KERALA**

SOCIAL SERVICES DIVISION  
STATE PLANNING BOARD  
THIRUVANANTHAPURAM  
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## PREFACE

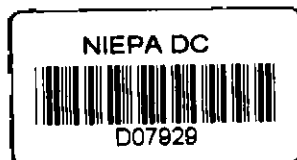
At present there are about 30 social security and welfare schemes in Kerala. Of these, four are major pension schemes benefiting agricultural workers, destitutes, widows and the handicapped. They are fully financed by State Government and others are operated by Statutory Boards. During the period 1986-91, the Government expenditure under social security measures amounted to about Rs. 370 crores. The budget provision for 1992-93 under State supported social security and welfare schemes stood at Rs. 80 crores which represented 2.8 per cent of the state budget against all India average of around 1.02 per cent.

With regard to physical coverage, it is interesting to note that the major pension schemes benefit about 21 per cent of the total 60 plus population which is estimated at 29.3 lakhs in the state. Moreover, 16 lakh persons are enrolled under the major social security schemes operated by the Statutory Boards. An overall study of the operation of these schemes would bring out the fact that there is no clear perspective on the long term financial and operational implications connected with these schemes. Against this background, an attempt has been made to collect relevant data on expenditure, physical coverage and related aspects of the major social security initiatives in Kerala. The study, it is hoped, would be of interest to policy makers, administrators and to all those interested in the social security measures in Kerala. The present analysis may be regarded only a beginning towards the process of a wider discussion, as no major attempt has been made so far to understand the status and problems confronted during implementation of these schemes. Considering the importance of the subject and the connected issues involved, the State Planning Board is considering the proposal to set up an Expert Committee to study the long term implications and related issues.

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## SECTION I

# SOCIAL SECURITY INITIATIVES—AN OVERVIEW

### Introduction

The concept of social security was inherent in the traditional joint family system in India and the modern concept of social security dawned with the enactment of the Workmen's Compensation Act 1923 by Government of India. The next stage in the growth of social security was recognition of the contingency of the maternity amongst industrial women workers and passing of Maternity Benefit Acts by State Governments. The Central Maternity Benefit Act was enacted by the Government of India in 1961 to ensure uniformity in benefits all over the country. The third landmark in social security was the passing of the Employees State Insurance Act in 1948 based on the Adarkar Committee Report. This marked the beginning of social insurance for industrial workers in India.

1.2. *Social Security Measures—A Protection to Labour Force.*—Social Security programmes are increasingly being accepted as useful and necessary instruments for the protection and stability of labour force. They protect the employees by ensuring medical relief to the insured person and his family, compensation in case of industrial accidents and certain occupational diseases resulting in death or disablement, family pension of employees for protection to the family of workers dying prematurely in service, deposit linked insurance, retirement and withdrawal benefits, Contributory Provident Fund/Pension Gratuity, retrenchment compensation etc. The Governments at the centre and states have now a series of benefits to their employees. An overview of the situation would indicate that the organised employed segment in the country which is 13 per cent of the work force is well protected with several security measures.

1.3. *New Concept of Social Security.*—The Social Security measures that have been evolved till 1950's were largely protective in nature and the promotional aspects were expected to be taken care of through generalised development. A major difference relates to the modes of financing social security programmes. However, this concept has undergone major changes over the last half century or so. Today Social Security and Welfare constitute an integral part of the functions of a modern government. Irrespective of the level of economic development, in countries there are people who are unable to participate in economic activities for reasons of age and physical or mental disabilities, or who have no other independent means of livelihood. Such persons will need community support. No government can turn a blind eye to the prevalence of such deprivation. The governments in the

developing countries are under growing social compulsion, if not statutory obligation to provide atleast a minimum of social security and welfare programmes.

1.4. In India, growth with social justice has been accepted as the cardinal objective of planned economic development. This commitment springs from the Indian constitution, particularly the Preamble and Directive Principles of State Policy which enjoins the creation of a social order for the promotion of the welfare of the people securing adequate means of livelihood for the citizens, provision of minimum wages etc. The Government stands committed to these objectives and therefore provision of social security measures is a reflection of national commitment and mandate for change. The major goal that has been advanced in the new context of development and justice is reduction of income insecurity which has been sought to be achieved through social security measures, disability and unemployment insurance and pension measures. In other words social security is the protection furnished by society to its members through a series of public measures against the economic and social distress that otherwise would be caused by the absence of earnings or substantial reduction or stoppage of earnings resulting from sickness, maternity, employment injury (including occupational disease), unemployment (including absence of employment) and underemployment, invalidity, destitution, social disability and backwardness, old age and death etc.

1.5. There are conceptual differences between advanced and developing countries in regard to social security. In advanced countries the concept is largely based on the guidelines of the International Labour Organisation (ILO). The ILO type of benefits are basically: (i) 'social insurance' with contributions from insured employees and their employers supplemented in some measure by the state and (ii) social assistance met entirely by governments from the general budget. Of the two, social insurance has been the dominant mode in the advanced countries. This is understandable given in their context, the high degree of organised employment and the ability of employers and employees to contribute towards social security. In Indian conditions ILO-type benefits are not likely to have any significant role to play especially in the prevailing social security framework. In India over 87 per cent of the labour force still work as self employed and wage employed. The protective type of social security measures help only about 13% of the work force and therefore social security measures for the unorganised is an imperative need.

1.6. The financing of Social Security Schemes has been a matter of great concern to all those interested in the subject. The scaled premium system of finance (which is a partially funded system) has been considered to be an appropriate system for new social security measures. At the same time, it has been further emphasised that unconventional systems and sources of financing must be fully investigated to develop financially viable

programmes of social security designed to benefit the rural population and unorganised sections of society. Investments of funds of social security schemes providing pension benefits must be made with reference to their security, yield, social and economic utility. The point at issue here is whether and, if so, to what extent the various social security programmes at work in India have contributed to income redistribution and what are the limiting factors in achieving redistributive effects through social security programmes.

1.7. Successive governments in Kerala have introduced a large number of social security and welfare schemes with a view to attaining the goal of reducing income insecurity among the weaker segments in society. As a result there are more than thirty social security and welfare schemes presently implemented in the State. They are listed below:

*Schemes which are fully financed by the State*

1. Kerala Agricultural Workers Pension Scheme
2. Kerala Destitute and Widow Pension Scheme
3. Special Pension Scheme for the Physically Handicapped
4. Old age Pension to Craftsmen
5. Assistance to Leprosy and Cancer Patients in Indigent Circumstances
6. Journalist's Welfare Fund Scheme
7. Cine Artistes Welfare Fund Scheme
8. Financial Assistance for Men of Arts and Letters
9. Central State Schemes of Financial Assistance to Artists in Indigent Circumstances
10. Financial assistance to Marriage of Widow's Daughters
11. Kerala Tree Climbers Welfare Scheme
12. Group Personal Accident Scheme for School Children
13. Unemployment Assistance
14. Pension to Sportsmen in Indigent Circumstances.



*Major schemes which are operated by Boards*

1. Kerala Cashew Workers Relief and Welfare Fund
2. Kerala Handloom Workers Welfare Fund
3. Kerala Coir Workers Welfare Fund
4. Kerala Khadi Workers Welfare Fund
5. Kerala Construction Workers Welfare Fund
6. Kerala Advocate Clerks Welfare Fund
7. Kerala Fishermen Welfare Fund
8. Kerala Artisans Benefits Fund Scheme
9. Kerala Headload Workers Welfare Fund
10. Kerala Abkari Workers Welfare Fund Scheme
11. Kerala Toddy Workers Welfare Fund
12. Kerala Motor Workers Welfare Fund
13. Kerala State Welfare Fund Board Scheme
14. Kerala Sports Council Sportsmen Welfare and Group Insurance Scheme
15. Kerala Autorickshaw Workers Welfare Fund
16. Kerala Agricultural Workers Welfare Fund
17. Kerala Lottery Agents Welfare Fund
18. Kerala Document Writers, Scribes and Stamp Vendors Welfare Fund

1.8. Thus there are over 30 major schemes implemented in the state of which 14 are entirely financed by the state exchequer. During the period 1986 to 1991, the state expenditure under these schemes amounted to about Rs. 370 crores. The budget provision for 1992-93 was Rs. 80 crores which represented 2.77 per cent of the state revenue budget. The all India expenditure on social security and welfare schemes was around 1.02 per cent in 1991. The coverage under the major pension schemes taken together is about 20.4 per cent of the total 60 plus population in the state which is estimated at 29.3 lakhs. The coverage will be more when the five major schemes introduced for handloom, cashew; khadi, construction and coir workers become fully operational. Besides the State Government pensioners, military pensioners, freedom fighters, Central Government pensioners account to a considerable percentage of the 60 plus population in the state.

1.9. Though there are more than thirty schemes under implementation, the three major pension schemes are Agricultural Workers Pension Scheme, Destitutes and Widows Pension Scheme and Special Pension for the Physically handicapped. The estimated expenditure under these three schemes was about Rs. 52 crores during 1992-93. The expenditure from 1986-87 to 1992-93 on the three major pension schemes is given in Table 1.1.

TABLE 1.1

**Expenditure on three major Pension Schemes**

(Rs. lakhs)

Year	Physically handicapped Pension Scheme	Agricultural Workers Pension Scheme	Destitute/ Widow Pension Scheme	Total
1986-87	309.39	1615.00	961.56	2885.95
1987-88	454.74	1469.50	1296.17	3220.41
1988-89	698.47	1925.70	1296.57	3920.74
1989-90	696.59	2197.11	1178.63	4072.33
1990-91	879.85	3062.39	1255.17	5157.41
1991-92	862.54	2515.80	700.66	4079.00
1992-93	895.23	2690.28	1593.81	5179.32

1.10. Over and above the schemes entirely financed by the State, the Government in the late 1980's have introduced five major pension and welfare schemes for the benefit of coir, cashew, handloom, khadi and construction workers in the State. The commitment of the State on social security and welfare measures would further go up when these schemes become fully operational. Besides there are several schemes implemented in the State to cover the weaker segments under the framework of social security schemes financed outside the budget and they are discussed in the relevant section. The Board of Revenue and Labour Departments are the two major departments implementing the pension schemes in the state.

## SECTION II

### MAJOR PENSION SCHEMES

In Section I, we have discussed the concept, general issues and relevance of social security schemes in the current development context. The social security initiatives by and large seek to provide relief to the poor in general and represent a major experiment in social assistance. For the purpose of understanding the social security schemes under implementation in Kerala an attempt has been made to discuss them in three broad categories viz., major social security initiatives fully financed by the state exchequer, social security initiatives under implementation with partial state support and other schemes implemented by statutory Boards without state support. As mentioned in the earlier section, three major initiatives on the social security front which have considerable impact in terms of budgetary commitment and physical coverage in the goal of attainment of reduction in income insecurity are agricultural workers pension scheme, destitute and widow pension scheme and special scheme for physically handicapped. They are discussed in the following paragraphs.

#### **A. Kerala Agricultural Workers Pension Scheme**

2.2 The Kerala Agricultural Workers Pension Scheme came into effect from 1-4-1990. The scheme provided initially a monthly pension of Rs. 45 to each agricultural worker above the age of 60 and whose annual income was below Rs. 1500. The rate of monthly pension was enhanced to Rs. 60 p.m. from 1987-88 and to Rs. 70 p.m. with effect from 1-8-1991. For pension purpose, agricultural workers are defined as workers other than those covered by plantation Labour Act depending principally on wages for livelihood and residing within the state for a continuous period of at least 10 years, immediately preceding the date of application. Also agricultural workers due to old age and physical infirmity are eligible for pension. The scheme benefited 3,06,622 persons during 1991 out of which women beneficiaries constituted 57 per cent. The district-wise distribution of beneficiaries can be seen in Table 2.1.

2.3 There are 19.47 lakh agricultural labourers in the state. But taking the agricultural labourers, cultivators and small farmers the total number is about 27 lakhs. The beneficiaries under the pension scheme as a proportion to the total workers is 12 per cent and 19 per cent to agricultural labourers in the state. It may be noted that though the 60 plus population in the category to be around 2.7 lakhs, the scheme actually covered 3.06 lakh persons. Further it may be seen from the analysis of Table 2.1. that 57 per cent of the beneficiaries constituted women. This must be due to the fact that in the 1950's female agricultural labourers outnumbered male workers and higher expectation of life for women.

2.4 A district-wise analysis shows that 44 per cent of the beneficiaries are in Kozhikode, Alappuzha, Palakkad and Thiruvananthapuram districts. The relevant data are given in Table 2.2. The agricultural labourers in the four districts account for about 46 per cent of the total labourers. The expenditure on the pension scheme increased from Rs. 1615 lakhs in 1986-87 to Rs. 2690 lakhs in 1991. The relevant data are presented in Table 1.1. The increase in expenditure was due to increase in coverage of workers and the rate revision effected in 1988 and 1991.

TABLE 2.1

**District-wise Distribution of Agricultural Workers Benefited under Pension Scheme during 1991**

<i>Name of District</i>	<i>Total No. of beneficiaries</i>	<i>No. of women beneficiaries</i>	<i>Percentage of women to total beneficiaries</i>
1. Thiruvananthapuram	24059	13501	56
2. Kollam	22153	10005	45
3. Pathanamthitta	11712	5992	51
4. Alappuzha	34722	17995	52
5. Kottayam	16307	8714	53
6. Idukki	5769	3352	58
7. Ernakulam	15755	9952	63
8. Thrissur	25705	14306	56
9. Palakkad	36813	24550	67
10. Malappuram	34614	20531	59
11. Kozhikode	39579	22397	57
12. Wayanad	7638	4153	54
13. Kannur	25158	17001	68
14. Kasaragod	6643	3995	60
Total	306622	176444	57

TABLE 2.2

**Agricultural Workers Pension—Details of Beneficiaries  
1989-90—1990-91**

<i>Name of District</i>	1988-89	1989-90	1990-91	<i>Percentage to column-4</i>
(1)	(2)	(3)	(4)	(5)
Thiruvananthapuram	18626	20691	24059	7.85
Kollam	20676	21172	22153	7.22
Alappuzha	30586	33266	34722	11.32
Pathanamthitta	11648	11191	11712	3.82
Kottayam	14317	14614	16307	5.32
Idukki	5531	5659	5769	1.86
Ernakulam	16034	15737	15755	5.14
Thrissur	26467	26342	25705	8.38
Malappuram	34696	39015	34614	11.29
Palakkad	34747	38311	36813	12.01
Kannur	22570	23448	25158	8.20
Kozhikode	37077	38985	39574	12.91
Wayanad	7157	7300	7638	2.49
Kasaragod	6197	6589	6643	2.17
Grand Total	286329	302331	306622	100.00

**B. Kerala Destitute and Widow Pension Scheme**

2.5. The Kerala Destitute Pension Scheme was introduced in 1960. The scheme is intended to provide pension to old age destitutes and widowed/ destitutes. Old age destitute means a person above 65 years of age without any source of income or having only a nominal income below Rs.100 p.m. Also widowed/divorced with an annual income below Rs.100 p.m. is eligible for pension. At present the rate of assistance per month is Rs.55. Besides an additional assistance of Rs.5 is also being paid to those widows who have one or more children. The beneficiaries under widows pension stood at 1,28,267 during 1990-91. As a proportion to the total households of 54 lakhs in Kerala

according to 1991 Census, the widows benefited accounted for 2.37 per cent. A recently conducted all India study reveals that 10 per cent of the households are widow headed households in India. Assuming the same proportion the total number of widow headed households must be around 4.32 lakhs. In other words 29.62 per cent of the widows got pension under the scheme and the relevant data are presented in Table 2.3. The district-wise details of beneficiaries under old age pension is given in Table 2.4. The expenditure under the scheme increased from Rs. 961.54 lakhs in 1985-86 to Rs.1593.81 lakhs in 1990-91. The relevant data are furnished in Table 1.1.

TABLE 2.3

**Widow Pension—District-wise Details of Beneficiaries**

<i>Name of District</i>	1986-87	1987-88	1988-89	1989-90	1990-91
(1)	(2)	(3)	(4)	(5)	(6)
Thiruvananthapuram	9395	9842	10318	11731	11887
Kollam	4697	4845	5399	7894	8894
Pathanamthitta	2286	2562	2959	3216	3277
Alappuzha	8438	9023	9305	9661	9750
Kottayam	3397	3638	3953	4979	4047
Idukki	964	1196	1172	1391	1342
Ernakulam	9484	9639	9786	9880	9205
Thrissur	5875	6452	7153	7864	7871
Malappuram	15358	16073	17726	17828	18118
Palakkad	9655	8453	9846	18780	10525
Kozhikode	17977	18787	19537	20426	20646
Kannur	7583	7776	8255	7832	16352
Wayanad	663	1057	1213	1343	1400
Kasaragod	5589	6734	5970	6219	5953
<b>Total</b>	<b>101361</b>	<b>106077</b>	<b>112592</b>	<b>120244</b>	<b>128267</b>

TABLE 2.4

**Kerala Destitute Pension/ Old Age Pension—Details of Beneficiaries**

<i>Name of District</i>	1986-87	1987-88	1988-89	1989-90	1990-91
Thiruvananthapuram	4527	4416	4254	5126	5195
Kollam	5306	5191	5425	5905	5805
Pathanamthitta	1316	1379	1600	1663	1584
Alappuzha	4516	4616	4548	4443	4626
Kottayam	1963	2091	2223	2189	2128
Idukki	514	577	469	723	660
Ernakulam	4757	4746	5178	4993	5261
Thrissur	6195	6313	7051	6985	6854
Malappuram	4109	3913	4092	4172	3817
Palakkad	11878	12113	11624	10546	10400
Kozhikode	5335	5120	5465	5500	5493
Kannur	3474	3336	3651	3320	3968
Wayanad	385	558	611	655	651
Kasaragod	1190	1219	1227	1101	1205
<b>Total</b>	<b>55465</b>	<b>55588</b>	<b>57518</b>	<b>57321</b>	<b>57647</b>

**C. Special Pension Scheme for the Physically Handicapped**

According to 1981 census in Kerala, there were 31053 totally disabled persons. The relevant data by disability is given below:

<i>Type of disability</i>	<i>No. of persons</i>		
	<i>Rural</i>	<i>Urban</i>	<i>Total</i>
Totally blind	6761	1417	8178
Totally crippled	9843	2213	12056
Totally dumb	8553	2266	10819
<b>Total</b>	<b>25157</b>	<b>5896</b>	<b>31053</b>

2.7 The Special Pension scheme for the Physically Handicapped was introduced with effect from 1982. A person who is deaf and dumb or blind or orthopaedically defective and completely infirm or permanently incapacitated to earn a living and without any source of income or has a nominal income below Rs. 75 per month and whose family income (income of mother/father/husband/wife) not exceeding Rs. 300 per month are eligible for the pension. Partial disability (40 per cent) is also included for pension purposes. An assistance of Rs. 75 p.m. is paid as monthly pension under the scheme. The total beneficiaries under the scheme increased from 43,998 in 1985-86 to 72835 in 1990-91. The expenditure increased from Rs. 264.39 lakhs in 1985-86 to Rs. 693.59 lakhs during 1990-91. The district-wise distribution of persons benefited is given in Table 2.5.

TABLE 2.5

**District-wise Beneficiaries under Special Pension for the Physically Handicapped**

<i>Name of Districts</i>	<i>No. of beneficiaries</i>				
	1986-87	1987-88	1988-89	1989-90	1990-91
Thiruvananthapuram	4895	5258	7580	7827	8826
Kollam	3528	3750	6439	6439	6048
Pathanamthitta	1565	1808	2566	2566	2894
Alappuzha	5058	5854	6837	6837	7616
Kottayam	2165	2650	3339	3339	3680
Idukki	853	1007	1366	1373	1432
Ernakulam	3924	6779	4984	5254	5321
Thrissur	3425	4292	6205	6183	7183
Malappuram	4467	5022	6104	6104	6716
Palakkad	3753	4480	6214	6214	6706
Kozhikode	6018	6799	8492	8286	9053
Kannur	2725	3106	3657	3657	4385
Wayanad	359	652	945	945	983
Kasaragod	1263	1359	1720	1720	1992
Total	43998	52821	66448	66744	72835



### D. Financial Assistance to Leprosy and Cancer Patients

2.8 The scheme was introduced in 1976. Financial assistance at the rate of Rs. 100 per month is granted to poor leprosy and cancer patients, whose monthly income from all sources is below Rs. 200. The scheme benefited 2536 persons during 1990-91 and the state expenditure amounted to Rs. 26.27 lakhs. The relevant data are given in Table 2.6.

The other pension schemes currently under implementation are pension for freedom fighters, journalists, cine artists, sportsmen, craftsmen etc. The scheme-wise details are given in Section III.

TABLE 2.9

#### Pension for Leprosy and Cancer Patients—Details of Beneficiaries and Expenditure

Name of District	No. of beneficiaries				
	1986-87	1987-88	1988-89	1989-90	1990-91
Thiruvananthapuram	90	303	327	436	415
Kollam	94	222	261	311	329
Pathanamthitta	8	32	41	59	57
Alappuzha	215	240	252	237	259
Kottayam	8	16	33	28	46
Idukki	10	..	19	18	30
Ernakulam	48	94	127	114	130
Thrissur	153	161	224	245	222
Malappuram	266	209	315	285	193
Palakkad	499	324	351	593	267
Kozhikode	190	305	335	368	346
Kannur	44	52	62	102	178
Wayanad	7	12	13	15	17
Kasaragod	6	8	5	17	11
Total beneficiaries	1638	1978	2365	288	2536
Total Expenditure (Rs. lakhs)	13.79	14.08	20.00	33.39	26.27

2.9 An analysis of the above schemes would show that the agricultural workers pension scheme and destitute widow pension scheme together benefit about 5 lakh persons. The disability pension scheme benefited 72835 persons during 1991. The commitment will go up as people are increasingly becoming aware of the schemes.

## SECTION III

PENSION AND WELFARE MEASURES IMPLEMENTED BY  
STATUTORY BOARDS

The unorganised wage employed and self employed sector is characterised by low earnings, unsteady employment and lack of security and welfare to workers. This sector is largely composed of coir workers, cashew workers, construction workers, handloom workers, Khadi workers etc. Though some social welfare measures were initiated in the 1970's to cover these segments in Kerala, a bold initiative was taken in the late 1980's to organise them under the frame work of social security and welfare measures. The major initiatives are:

1. Kerala Cashew Workers' Relief and Welfare Fund Act 1989
2. Kerala Handloom Workers Welfare Fund Act 1989
3. Kerala Coir Workers Welfare Fund Act 1989
4. Kerala Construction Workers Welfare Fund Act 1989 and
5. Kerala Khadi Workers Welfare Fund Act 1989

3.2 Though the Government fully committed itself in providing security and welfare measures to the unorganised workers it followed a different path in concept and financing of these schemes. While the major pension schemes discussed in section II are financed fully by the state, the schemes discussed, in running section are partly funded by the State. The contribution from workers and employers forms a major source of financing. An attempt has been made to briefly discuss the impact and implications of the schemes in the following pages.

**A. Kerala Cashew Workers Relief and Welfare Fund**

3.3 The Kerala Cashew Workers Relief and Welfare Fund Board was constituted in 1989 with the objective of providing social security and welfare measures to cashew workers in the State. The scheme came to effect during 1989. The benefits include pension at Rs. 75 p.m., scholarship to children for education, exgratia benefit, maternity benefit and cash awards to children securing highest marks etc.

3.4 There are 1.11 lakh cashew workers in the State. Out of the total workers 80.6 per cent are in Kollam district. It is interesting to note that 95.1 per cent of the cashew workers are women. The Act stipulated

that at the commencement of the scheme, every employee who had completed 150 days in a cashew factory during the preceding 5 calendar years is entitled to get registration as beneficiary of the fund. Also, the workers of any cashew factory which remained closed for over five years is entitled for registration as beneficiary of the fund on completion of three months of service in the factory after its reopening. Further the workers of the newly opened factories are eligible for registration as beneficiary on completion of 3 months of service. As on 31-3-1991, 1.03 lakh workers have got enrolled as members of the scheme. The percentage of members to total workers enrolled in the fund stood at 92.8. As on 31-3-1991, pension was sanctioned to 3557 persons. The pension commitment for the sanctioned cases alone was worked out to be about Rs. 32 lakhs per year. The other benefits including retirement benefits have not been worked out as the fund is yet to become fully operational.

3.5 The income sources of the fund comprises of contribution from worker members at 50 paise for each day of work and employer at Re. 1 per each day of work for each worker and Government contribution at twice the rate of contribution of workers and interest accrued from the deposits. The collection of contributions from workers in a year will be about Rs. 50 lakhs and Rs. 100 lakhs as contribution from employers. The amount has been arrived at taking into account of the fact that the cashew factories worked for about 100 days in a year during 1991-92. The Government contribution to the fund thus must be of the order of Rs. 100 lakhs per year. Thus the total resources expected is Rs. 250 lakhs per year including government contribution.

## **B. Kerala Coir Workers Welfare Fund Scheme**

3.6 The Kerala Coir Workers Welfare Fund Scheme was introduced in 1989. The major objective of the scheme is to provide pension and implement welfare measures to coir workers. Though the scheme came to operation from January 1989, certain provisions like payment of pension to old coir workers had retrospective effect from 1-4-1987. For implementing the scheme, the Kerala Coir Workers Welfare Fund Board was set up in February 1989 with its headquarters at Alappuzha and it has three regional offices at Chirayinkeezh, Vadakkom Paroor and Kozhikode.

3.7 The total number of coir workers including part time workers in the State is estimated to be about 383,394. As regards the progress of registration, 57,653 workers got registered as on 1-1-1992. The district-wise distribution of coir workers and those registered are given in Table 3.1. An analysis of the progress of registration show that only 15.03 per cent of the workers became members in the fund and much headway has to be made in this direction.

TABLE 3.1

**Total coir workers and workers registered in the fund as on 1-1-1992**

Rank No.	District	No. of coir workers	Workers registered	Percentage of workers registered to total
1.	Alappuzha	275191	24830	44.62
2.	Kollam	53621	6273	11.27
3.	Kozhikode	42489	7608	13.67
4.	Thiruvananthapuram	38643	3056	5.49
5.	Ernakulam	25409	4435	7.97
6.	Kottayam	18199	5503	9.89
7.	Malappuram	14592	1390	2.50
8.	Thrissur	10306	1958	3.52
9.	Kannur	3330	256	0.46
10.	Kasaragod	1614	344	0.61
Total		383394	55653	100.00

**Financing Pattern**

3.8 The income sources to the fund consists of participation by workers and self employed persons at Re. 1 per worker per month, employers at Rs. 2 per worker per month, co-operative societies Re. 1 per worker per month and exporters and dealers 1/12th of one per cent annual sale proceeds and government contribution twice the amount contributed by the workers. The details of contribution raised can be seen in Table 3.2. During the period 1988-89, 1991-92, a total of Rs. 46.37 lakhs was raised as contribution from workers and employers.

TABLE 3.2

**Contribution raised under Coir Workers Welfare Fund**

(Rs. lakhs)

Sl.No.	Category	1988-89	1989-90	1990-91	1991-92
1.	Workers	..	4.03	5.84	4.04
2.	Employees	..	3.21	3.84	2.45
3.	Producers	..	..	0.07	0.19
4.	Dealers	0.25	9.28	0.42	12.75
All		0.25	16.52	10.17	19.43

3.9 The scheme provides for payment of pension, assistance for medical treatment to family members, daughters' marriages, education of children, permanent and temporary disability benefits, accidental death, maternity assistance etc. The number of pensions sanctioned year-wise can be seen below:

Year	No. of persons given pension	Cumulative total
1988-89	268	268
1989-90	6379	6647
1990-91	6275	12922
1991-92	13253	26175

3.10 Thus a total of 26175 persons have been granted pension at the rate of Rs. 75 per month. This accounts for 6.82 per cent of the total coir workers in the State and 45 per cent of the workers registered under the fund. The total financial commitment under pension at present alone is about Rs. 2.35 crores which will go up considerably. A serious problem which has already cropped up is that those who have been sanctioned pension could not be provided regularly due to paucity of funds. Taking into account of the members registered in the fund and the contribution made by different segments, there appears to be a serious mismatch between the funds raised and the commitment. Therefore, a clear operational strategy has to be worked out so as to make the scheme self financing. It is also not clear how long the government would be able to finance such programmes endlessly from the State exchequer.

### C. Kerala Construction Workers Welfare Fund

3.11 The Kerala Construction Workers Welfare Fund Scheme, 1990 came into effect from 1-1-1990. The scheme provides for relief and to pension to the construction workers in the State. For implementation of the scheme the Kerala Construction Workers Welfare Fund Board was constituted in May, 1990. The scheme provides that on completion of the age of 60 years, a member will be entitled to a monthly pension of Rs. 75 and the entire amount of subscription paid by the member will be returned with interest accrued. In case of death of a member before attaining the age of 60, an amount of Rs. 10,000 will be paid to the legal heirs of the deceased. Also members who meet with fatal accident are eligible for exgratia payment up to Rs. 5,000. The other benefits include payment of cash award and scholarship for higher education to the children, maternity assistance for female workers and advance for purposes of treatment, marriage

of children, construction etc. With regard to eligibility a worker in the age group 18-60 is eligible to become a member under the scheme. As on 31-3-1992, a total of 210,000 members got enrolled under the scheme. The district wise details of members enrolled are given in Table 3.2

TABLE 3.2

**District-wise distribution of workers registered under Kerala Construction Workers Welfare Fund Scheme till 31-3-1992**

<i>District</i>	<i>No. of workers</i>
Thiruvananthapuram	36,000
Kollam	4,500
Pathanamthitta	2,500
Alappuzha	12,000
Kottayam	9,000
Idukki	3,500
Ernakulam	30,000
Thrissur	15,000
Palakkad	9,000
Malappuram	16,000
Kozhikode	28,500
Wayanad	2,000
Kannur	33,000
Kasaragod	9,000
<b>Total</b>	<b>210,000</b>

3.12. *Financing Pattern.*—A worker who joined in the scheme has to pay monthly contribution refundable with interest at the rate of Rs. 10 or Rs. 15 or Rs. 20 as the case may be. In addition, all employers including State Government, Kerala State Road Transport Corporation, Kerala State Electricity Board etc., will have to pay 1% of the total cost of construction as contribution to this fund (construction of Roads, bridges, buildings etc., comes under the purview). Further all registered contractors have to pay a prescribed fee annually to this fund. The contributions expected to be raised to about Rs. 3 crores annually. The concept is that the contributions so raised will be invested in securities approved by Government and from the interest accrued, a portion is earmarked for administrative expenses and the remaining for welfare of workers. During 1990-91, the contribution raised from workers

stood at Rs. 33.6 lakhs and Rs. 2.2 crores during 1991-92. During the period 1990-92 Rs. 57 lakhs contribution was made by contractors. Pension was sanctioned to 16 workers as effective from 3/92. During 1991-92, 208 families received assistance at Rs. 10,000 each as death benefit.

#### **D. Kerala Khadi Workers Welfare Fund Scheme**

3.13. There are 26840 khadi workers in the state. The Khadi Workers Welfare Fund Board was set up in 1990 to implement pension and other welfare measures. A person who has been working continuously as khadi worker for not less than 10 years shall be eligible for monthly pension on attaining 60 years of age. The scheme provides for a minimum monthly pension of Rs. 60 per month. For each additional completed 10 years of service Rs. 6 will be added to the minimum pension. The maximum pension will be Rs. 180 per month. The Act also provides that a khadi worker who is unable to work due to infirmity shall also be eligible for the minimum pension. The other benefits under the scheme include medical assistance, educational assistance to their children etc. As regards the present status of implementation, only 10 workers from Payyanur Centre were given pension on the day of inauguration of the scheme in 1990. The district-wise number of applications received for enrolment as members to the fund is given in Table 3.4. It is seen that 45.8 per cent of the workers have applied for membership

TABLE 3.4

#### **District-wise number of khadi workers applied for membership**

1. Thiruvananthapuram	..	2306
2. Kollam	...	588
3. Pathanamthitta	..	211
4. Alappuzha	..	989
5. Kottayam	..	319
6. Ernakulam	..	662
7. Thrissur	..	2058
8. Palakkad	..	946
9. Malappuram	..	177
10. Kozhikode	..	1500
11. Kannur	..	1530

Total

11286

## Financing

3.14 The pattern of financing is that every khadi worker registered as a beneficiary of the fund should contribute 8 per cent of the total wages received and every khadi institution should contribute every year an amount equal to the contribution made by the khadi workers employed through that institution. The State Government commitment is limited to an equal amount contributed by khadi workers annually. The Government have contributed Rs. 10 lakhs at the time of inauguration of the scheme. The position is that Rs. 16 lakhs perhaps could be raised from workers and institutions annually and the Government contribution will be Rs. 8 lakhs.

### E. Kerala Handloom Workers Welfare Fund Scheme

3.15. Kerala Handloom Workers Welfare Fund was constituted under section 6 of the Kerala Handloom Workers Welfare Fund Act, 1989. The various benefits under the scheme include pension at Rs. 75 p.m., death relief benefit, cash awards to children securing highest marks etc. The handloom industry provides direct employment to about 1.5 lakh people and indirect employment to about 1 lakh people. The district-wise distribution of workers registered in the fund is given in Table 3.5 which shows that only about 10 per cent of the workers have registered in the fund as members. The programme is yet to make a headway in this process.

TABLE 3.5

#### District-wise distribution of workers registered under Kerala Handloom Workers Welfare Fund Scheme

Name of District	Total member enrolled	Of which women workers
1. Kasaragod	941	408
2. Kannur	5462	1304
3. Kozhikode	2723	1433
4. Malappuram	464	169
5. Palakkad	2474	790
6. Ernakulam	2031	1516
7. Thrissur	1088	551
8. Alappuzha	299	190
9. Kottayam	392	221
10. Idukki	18	15
11. Thiruvananthapuram	6920	4914
12. Kollam	1702	1006
13. Pathanamthitta	..	..
14. Wayanad	..	..
<b>Total</b>	<b>24514</b>	<b>12517</b>



3.16 The funds flow according to the scheme is that share of a handloom trader towards the welfare fund will be equal to 1% of the total monthly collection made by him. Each worker has to contribute Rupee 1 per month and the share of each employer towards the fund will be Rs. 2 per month. The producers including co-operatives who produce handloom cloths have to remit towards the fund an amount equal to that of the employees' contribution. The Government contribution is limited to an amount equal to that of the contribution made by the workers.

3.17 The Government during 1989-92 contributed Rs. 43 lakhs to the fund. It is worked out that the workers' contribution will be about Rs. 25 lakhs and another Rs. 50 lakhs will be raised from other sources annually. But the funds flow as desired has not materialised and even the Government contribution to the tune of about Rs. 35 lakhs is due to the fund. The scheme provides various benefits such as pension, death benefit, maternity assistance, scholarships to children studying in various classes, medical assistances etc. As on 31-3-1992, 2063 persons were given pension. The pension commitment at present amounts to Rs. 18.50 lakhs. Once the scheme becomes fully operational the pension beneficiaries will be about 25000 which would involve a pension commitment of about Rs. 2.5 crores.

#### F. Kerala Fishermen Welfare Fund Scheme

3.18 The Board was constituted as per the Kerala Fishermen's Welfare Act 1985 which came to force with effect from 26th January 1986. The following welfare schemes are at present implemented by the Board.

<i>Schemes</i>	<i>Maximum amount admissible</i>
1. Group Accident Insurance Scheme	<i>Rs.</i>
(a) Accident death	: 21,000
(b) Permanent total disability	: 21,000
(c) Permanent partial disability	: 10,500
2. Death while fishing or immediately thereafter not due to accident	: 15,000
3. Financial assistance for marriage of daughters of fishermen	
(a) Loan	: 1,200
(b) Grant Rs. 300 each	: 300
4. Financial assistance for expenses for natural death of fishermen	: 500
5. Financial assistance for expenses for natural death of dependents of fishermen	: 300
6. Financial assistance for temporary disability of fishermen due to accident	: 500

1. *Hut Insurance*  
50% subsidy is given
8. Compensation for loss/damages paid
9. Fishermen pension : 85 p/m
10. Financial assistance to fishermen who undergoes sterilisation operation : 250

3.19. There are 1.62 lakh fishermen in the State which is about only 0.6% of the State's total population as per the population figures (1991). Of the total number of fishermen, more than 28% is concentrated in Ernakulam District. The progress of implementation is briefly summarised below:

<i>Details of Welfare Schemes to fishermen</i>	<i>Progress as on 30-4-1992</i>	
	<i>No. of Persons Benefited</i>	<i>Amount involved (Rs.)</i>
(1)	(2)	(3)
1. Group Accident Insurance Scheme		
(a) Accident death	545	89,58,000
(b) Permanent total disability	14	2,16,000
(c) Permanent partial disability	58	4,65,000
2. Death while fishing or immediately thereafter not due to accident	179	27,00,000
3. Special cases sanctioned by the Board for death and disability	63	3,92,000
4. Financial assistance for marriage of daughters of fishermen		
(a) Loan	1628	19,53,240
(b) Grant @ Rs.300 each	1632	4,45,800
5. Financial assistance for expenses natural death of fishermen	301	1,02,000

	(1)	(2)	(3)
6. Financial assistance for expenses for natural death of dependants of fishermen		1564	4,10,050
7. Financial assistance for temporary disability of fishermen due to accident		2496	7,19,096
8. <i>Hut Insurance</i>			
50% subsidy paid		1815	7,718
50% subsidy of renewal of policy		396	14,147
Compensation paid for damages/loss of huts		112	1,93,126
Compensation for loan/damages paid		16	1,93,829
9. Fishermen pension		25757	6,66,66,908
10. Financial assistance to fishermen who undergo sterilisation operation		22	5,500
11. Cash awards		6	8,000
<i>Special Schemes</i>			
1. Financial assistance to the victims of Thambassery fire accident		91	45,000 (1990-1991)
2. Free ration during ban on bottom trawling in monsoon season		..	8,65,36,801 (1989-90-91)
3. Financial assistance to the inland fishermen affected by fish disease		22857	34,28,000

### G. Other Social Security and Welfare Initiatives

3.20. In section II and in the foregoing pages of the running section the major pensions and welfare measures have been briefly discussed. An attempt has been made in this paragraph to present details of coverage, nature and content of 16 schemes in summary form. Of the 16 schemes mentioned there are 4 pension schemes, a few are a survivor benefit schemes and the rest, are welfare schemes for the present workers.

Name of the Scheme	Eligibility	Year of starting	Major Benefits	No. of persons covered (Benefited) 1991-92	Expenditure 1991-92 (Rs. lakhs)
(1)	(2)	(3)	(4)	(5)	(6)
1. Financial assistance to widows for the marriage of their daughters	Yearly income of the family should not exceed Rs. 5000	1978	Rs. 1000	Benefited 9243 persons during 1991	92.43
2. Pension to Sportsmen	The income should not exceed Rs. 300 p.m. minimum age 45 years	1978	Pension assistance per month below 60 years—Rs. 100 60-70 years Rs. 150 p.m. above 70 years—Rs. 200 p.m.	157	3.62
3. Tree Climbers Welfare Scheme	Financial assistance given to workers in the event of fatal accidents and permanent disability following the accident.	1980	Rs. 10,000	260	26.00
4. Unemployment Assistance Scheme	Financial assistance is given to those who wait for employment in the live register of employment exchange for more than three years	1981	Rs. 60 p.m.	364314	1934.85

(1)	(2)	(3)	(4)	(5)	(6)
5. Welfare Fund for Journalists	Financial assistance is given to the working journalists their dependants in distress Annual income should not exceed Rs. 3,600	1975	Rs. 300 p.m.	192	7.24
6. Welfare fund for Cine artistes.	Financial assistance is given to Cine artistes in distress. The annual family income should not exceed Rs. 3,600.	1975	Rs. 300 p.m.	145	5.14
7. Abkari workers Welfare Scheme	Abkari workers	1990	Pension Rs. 75 p.m. The fund provides Provident fund, Gratuity, Family pension, Financial assistance to disabled workers, assistance to the marriage of their daughters, educational expenses of children, maternity benefit etc.	about 1 lakh workers covered	..
8. Students Accident Insurance Scheme	58 lakh students	1989	Entire premium is remitted by the Government. Rs. 10,000 in the case of total accidents	30 lakhs premium remitted	..

				which causes total disability. In case of minor injuries, assistance subject to a maximum Rs. 500 in a year is given.		
9.	Kerala Toddy Workers Welfare Fund		1970	Provident fund contri- bution at 16% of total wages, gratuity at 50% of the monthly average of wages for each com- pleted year, non- refundable advance from the PF account assistance for marriage of daughters, scholarship to children, cancer treatment and disability benefit, advance for education of children etc.	46000 workers covered	
10.	Kerala Advocate Clerks Welfare Fund Board	Advocate Clerks	1985	After 5 years of contri- bution Rs. 1650 is given. After completing 30 years Rs. 10,000.	2500 covered	Government contribute Rs. 90 and advocate clerks contri- bute Rs. 60 per year.
11.	Kerala Headload Workers Welfare Fund	3 years of services minimum	1983	Accident benefit @ Rs. 10,000. The fund will also be used for pension, bonus, death insurance schemes, group insurance scheme, superannu- ation assistance	About 6300 workers covered	

	(1)	(2)	(3)	(4)	(5)	(6)
12.	Assistance for Sportsmen	On basis of the performance in sports and games	1978	Rs. 200 P.M.		
13.	Kerala Artisans and Skilled Workers Welfare Scheme	Artisans and skilled workers, 60 years	1991	The members have to contribute Rs. 10 per month. Retirement benefit, Death benefit Rs. 10,000, Rs. 500 as medical aid, disability assistance at Rs. 100 p.m. Scholarship for children, Maternity benefit at Rs. 500 for two times for women members etc. So far raised Rs. 7.92 crores as contributions.	278595	covered as on 31-3-1992
14.	Kerala Motor Workers Welfare Fund		1986	Various benefits include retirement benefit, PF etc. A member will get about Rs. 12,000 for 5 years of contribution and 60,000 if continues as member for 15 years.	29332	workers covered
15.	Kerala Artisans and Skilled Workers Welfare Scheme		1991	Death benefit of Rs. 10,000 Rs. 500 as Medical and disability assistance at Rs. 100 p.m. Scholarship for Children	278595	

maternity benefit Rs. 500  
for two times for women  
members, Retirement  
benefit

37/1686/93/MG.

16.	Kerala Agriculture Workers Welfare Fund	1990	347175
17.	Kerala State Lottery Agents Welfare Fund	1991	2712
18.	Kerala Autorikshaw Workers Welfare Fund	1991	2512
19.	Kerala document Writers, Scribes and Stamp Vendors Welfare Fund	1992	

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## SECTION IV

## BRIEF SUMMARY AND CONCLUSIONS

Kerala has made signal achievements in the field of education and health and the standards attained are comparable to some of the highly advanced countries. The literacy rate of Kerala as per 1991 Census is 90.59 per cent. The expectation of life at birth in Kerala is 69 for males and 72 for females. In the social security and welfare front also, the state's achievement is impressive. The successive governments in Kerala have introduced a large number of social security and welfare schemes and as a result, there are as many as 30 major social security and welfare initiatives covering different segments of the society.

4.2. During the period 1986-91, the government expenditure under social security and welfare schemes amounted to about Rs. 370 crores. The budget provision during 1992-93 was Rs. 80 crores which represented 2.77 per cent of the state revenue budget. But the all India expenditure on social security and welfare has been around 1.02 per cent in 1991. In Tamil Nadu, it was only 70 crores in 1991 which accounted for 1.2% of the revenue expenditure of the state. It was estimated in 1990 that Rs. 1,500 crores was required for the minimum package of social security schemes in India as detailed below:

1. Pensions	Rs. 1080 crores
2. Survivor Benefit	Rs. 120 ..
3. Maternity and other Benefits	Rs. 300 ..
	-----
	Rs. 1500 crores
	-----

This was 0.4 per cent of India's GNP at current prices of Rs. 3,46,277 crores during 1989-90 and about 1.4 per cent of current revenues of central and state governments viz. 1,03,623 crores in 1989-90.

4.3. The physical coverage of programmes in Kerala is very impressive. The 60 plus population in the state is estimated at 29.3 lakhs in 1991. The major pension schemes benefited about 6 lakh persons which is about 21 per cent of the total 60 plus population. When the major five initiatives introduced during 1989-90 covering handloom, cashew, khadi, construction and coir workers become fully operational, these schemes will benefit more than 2 lakh persons under pensions.

4.4. An analysis of the schemes implemented in the State would indicate that though there are as many as 30 major social security initiatives under implementation, the three major pension schemes covering agricultural workers, destitutes and widows and handicapped benefit about 6 lakh persons. The expenditure under these three schemes was around Rs. 52 crores in 1992-93.

4.5. There has been a serious misgiving about the pension and welfare initiatives introduced during 1989 and 1990. The coir, cashew, handloom and khadi workers constitute the major part of the work force in the traditional industries sector in the State. These sectors are characterised with low wage earnings, casual and unsteady employment and lack of social security and welfare schemes. The cashew workers on an average get 100 days of employment in a year. The coir workers though they get a wage around Rs. 15 per day, get work for about 120 days in a year. According to the Census conducted by Government of India in 1988 the income of the handloom artisans house holds was about Rs. 2,200 per year. The average wages received by Khadi worker during 1991 was only Rs. 840. Thus the social security initiatives introduced a social necessity in the social transformation, process of reduction of income in security among weaker segments.

4.6. The government while committing itself to provide social security and welfare measures to the above segments followed a different path in concept and financing. The contribution and participation of workers and employees form a major source of funding to the schemes. Besides there are several schemes initiated for unorganised like the skilled artisans, abkari workers, motor workers, toddy workers and so on.

## Major Issues

4.7. The major issues emerging from the foregoing analysis are summarised below:

1. There has been a misgiving that there exists a lot of wastage and overlapping in the case of the major pension schemes. But the facts would reveal that the beneficiaries under the major pension schemes are by and large deserving cases which is clear from the analysis of the proportion and category of population benefited.

2. The social security programmes as a measure of reduction of income insecurity has directly benefited about 6 lakh persons. The average benefit received by a beneficiary was about Rs. 900. These pension programmes contributed to income redistribution to such an extent directly.

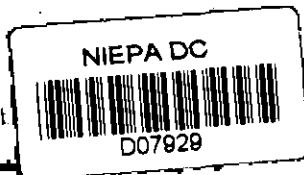
3. The real objective under social security initiatives is to have the effect of transferring income from those having lesser marginal utility of money (comparatively affluent), to those having greater marginal utility of money

(comparatively poor). But this type of generalisation obviously doesn't appear to be correct as to a larger extent the social security programmes derive their funds from indirect taxes on wage goods a major portion of which are consumed by the weaker segments of the society.

4 As a healthy sign, in order to meet the long term obligations of benefit payments under the social security scheme and as a corollary to provide for capital formation towards national development a funded scheme is necessary. It is essential that financial projections of proposed improvements and extensions in the scope of benefits or the coverage of a social security scheme or of the benefits of a proposed new social security scheme be made, so that the financial implications of any given proposal can be fully appreciated before a decision to implement the proposal is taken. While introducing the major five initiatives during 1989 and 1990, the overall operational and financial implications have not been fully appreciated and as a result the funding of schemes has emerged as a major problem. For instance the pension commitment could not be met due to paucity of funds. This will emerge as a major problem in the long run.

5. The government commitment particularly on the five major partly financed schemes namely coir, cashew, handloom, construction and khadi has not been fully worked out for operational efficiency. Government have not even released its contribution as committed and this poses yet another major problem.

6. The operational efficiency of the Boards which are administering these schemes has to be substantially improved. First due to political and other reasons the full boards have not been either constituted or reconstituted at all for the administration of the schemes. For instance, as the government have not constituted the Khadi Workers Welfare Fund Board even the workers applied for registration could not be admitted. The financial management system including the long term financial implications has to be fully studied and rationally worked out. The operational and management issues of the schemes have not been clearly understood though the implementation of the programmes have a direct impact on about 20 lakhs persons in the State.



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