

UNACCEPTABLE DISCRIMINATION AGAINST WIDOWS IN THE LIFE INSURANCE SECTOR

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Abstract

This paper focuses on the denial of life insurance proposal to uneducated widows. The main obstacles for them are producing a salary certificate and a standard age proof. Self-employed or daily wagers widows are unable to produce these documents. This issue has been neglected since the very beginning of the Life Insurance sector. Even the Indian State owned Life Insurance Company, LIC of India adopts this policy. On the other hand, there are no restrictions on giving life insurance to uneducated men. This amounts to explicit gender discrimination. But the reality is women working as hard as men. Moreover, the mortality rate of men is higher than that of women. This empirical reality affects the growth of families and their future life chances. When a widow dies, minor children from that family struggle to complete their higher education owing to their poor economic condition. Undoubtedly their dreams are ruined. In some cases, children are diverted to lives of crime. As per the SECC (Socio Economic and Caste Census) 2011 census by the Indian Government, there are 30532550 widows in India who constitute 3.5% of the Indian population. Providing Life Insurance to these underprivileged categories does no harm to the Companies; instead it will provide a safety measure for children of such widows. State institutions should frame policies to give social security for widows under the poverty line. This paper will also analyse empirical trends and evidence for the claims advanced.

Keywords: Widow, life insurance sector, gender discrimination, minor children, social security.

INTRODUCTION

This scope of the paper focuses on the denial of life insurance proposal to uneducated widows. In most developing and poor countries, many more women are widowed than men who are living under the below poverty line. In India there is no Life Insurance facilities for uneducated widow women. Main Obstacle are unable to produce a salary certificate and a standard proofs (Self- employed or daily wagers widows are helpless to produce these documents). This issue has been neglected since the very beginning of the Life Insurance sector. Even the Indian State owned Life Insurance Company, LIC of India adopts this policy. Controversial Discrimination - On the other hand, there are no restrictions on giving life insurance to uneducated men (Insupportable policy).

Women have a great role in society through family perspectives and Nation development as well.

Widows do experience special difficulties and deprivations in their everyday life. Even this modern age, they are facing the unacceptable troubles such as begging, prostitution, and chanting hymns for their survival, also restricted employment opportunities and lack of social support ; cruel than this widowhood living with them minor children, and some significant number of widows are still discriminated against by their families and local communities. Due to longstanding Hindu traditions, many widows have been highly discriminated against in India (Ahmed 2009, Ulrich 1998, Sugirtharajah 2003), which is the home of 42 million widows (Loomba Foundation 2010). However, the argument that widows are discriminated against has relied heavily on case studies in small areas, there is no empirical evidence that such discrimination still exists nationally [2]. As per the SECC (Socio Economic and Caste Census)

2011 census by the Indian Government, there are 30532550 widows in India who constitute 3.5% of the Indian population. In this developing country, there still remains illiterate women also in village's fig (b), tribal areas and some innocent illiterate women in cities. The serious difficult relationship between uneducated widowhood and poverty is a basis in the household financial assets. The essence of poverty is lacking the material resources to meet basic needs.

Our society conformation is always stands there same but government also have an imperfections. Another authentic argument is Discrimination. It will cause a psychological thinking to women that men are superior to them. Yes, there are no restrictions on giving life insurance to uneducated men. Why government reveals this Unacceptable discrimination? But the reality is women working as hard as men. Moreover, the mortality rate of men is higher than that of women. Every Insurance company has the Mission / vision, In this case they shouldn't quote "policies for all". In superficially looking, Poor economic condition with minor children; No secure for future life; Inadequate Income; No Education for children; children are diverted to lives of crime these problems are influences major in their life. Unfortunately, when a widow dies, minor children from that family struggle to complete their higher education owing to their poor economic condition. This empirical reality affects the growth of families and their future life chances.

Poor Uneducated Widow Women Life Circle

There is a significantly larger number of illiterate women than men, and not just in our country. In nations all over the world, percentages of illiterate women are higher than those of illiterate men. There are several important factors of illiteracy widows in India such as No motivation of life, No secure for children future, No healthy Immune system (starving). Obviously, if mother would a illiterate widow woman fig (a), their minor children need to go as a child worker. Undoubtedly, never realize the importance of life and their dreams are ruined. In some cases, children are diverted to lives of crime. And next generation will be continued same. It will definitely deteriorate wrong side. As per the study of widows, the major impacts are in

tribal and village rural sides. This is the specific worriment in my personal experience in Government Insurance Policy sector, it is the one of the biggest issue i confronted. In this twenty-first era many tribal woman's are still don't know the Insurance policy and laws. Many Insurance company treats this like unnecessary law. One of the successful Government long lasting Insurance Company is LIC of India. "Even Government Insurance Companies focusing the profit".

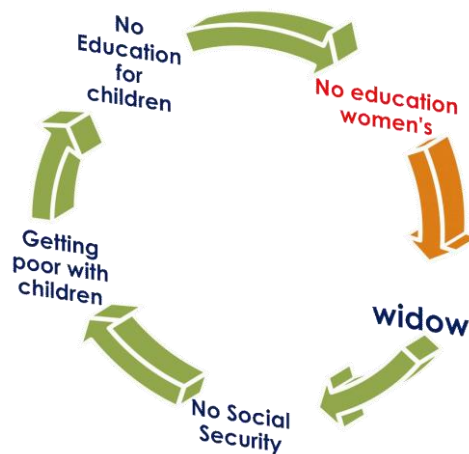


Figure 1(a)

FDI in Insurance

India's liberalisation policies became high on the end of 1990's. That is the time centre has decided and allowed 26% FDI in insurance sector. What change had made through the liberalisation of insurance from the foreign investors to the socially marginalised people? When the State is pushing the FDI across the global nations keeping the mind of money circulation and the improvement of GDP, the foreign investors on profit, neither played a role in the improvement of marginalised people even within their business strategies. Nearly 25 years of liberalisation policy adapted, what has happened to the weaker sections. Any policy changes happened for their inclusive growth in privatisation? There is no fair role and government has closed its eyes and ears just to bring the FDI and no policy what it will do to the lower economic sections. The primary duty of the government is to provide the social security to the marginalised people and the most vulnerable people like young widows and their minor children

who are usually left off. The original notion was that we can find the optimal balance between need-proportional justice and market defined justice in an economic system by finding the point where utility gains from incremental transfers downward, away from the market – set income allocation. There is no compulsion or directive measure or not even a suggestion to the foreign investors to take care the less privileged people even within their business models. Inclusive growth is the uncommon factor in this FDI companies.

CSR In Relation to Business Ethics

CSR corporate social responsibility which are mandatory for Public Sector undertakings and for private sector whose net profit is five crore or more. The Time Foundation – TNS survey was painting a rosy picture of the spread of CSR. CSR information website www.karmayog.com surveys that nearly half of the top 1000 Indian companies were doing nothing by way of CSR. Out of twenty two private life insurance companies in India in which all these companies are partnered with foreign insurance companies also having CSR section. What kind of social responsibilities these companies have in their business ethics? Does these companies providing equal opportunity to the people of all sects. But who cares if they didn't follow it when even the state owned Life Insurance Company doesn't have the equal gender consideration. Each company have to follow the business ethics first and then they can project themselves as doing CSR activities. Major reason for these companies are they are getting tax exemption for doing CSR activities. But in reality most of them doing nothing. Providing localized rural employment and livelihood opportunities to empowerment through wealth creation, raising quality of life and social wellbeing of communities. Question arises now, how much these are fulfilled by the CSR's?

Money and Humanity

The perception among the people that money always in the giving end and humanity always at the receiving end is not always true. Spreaded humanity is the catalyst of the social engineering and it plays a distinctive role in the inclusive development. Inclusive development doesn't have

any caste or gender bias. The rise of micro finance is an example for the humanity at its core strength of economy.

LIC of India Mission and Vision

Mission

"Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development." [6]

Vision

"A trans-nationally competitive financial conglomerate of significance to societies and Pride of India." [6]

According to the LIC of India, it explicitly shows they have a mission and vision like this, but indirectly it seems only focussing on profit rather than to be a equal opportunity provider and shows complete dichotomy from the policy of the state owned life insurance company. Some Objectives of LIC are a) "Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover" [6] and b) "Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy" [6]. It did not mention anything that will not give for Insurance policy for widow women. Government Insurance institution who serve the people also acts as a private profit sector. The state allows this policy; then how the people will tackle this problem. Vision 2020 of LIC of India refers Policy in everones pocket. But denying the life insurance policy to the uneducated widows and how it could be achieved when the Indian population of women are nearly fifty percent uneducated in rural areas. The information that got about the denial of life insurance to uneducated widows through RTI (Right to Information) Act. Here, I am referring down that report.

Tenacious Empirical Evidence

Report of LIC of India on widows through Right to Information Act- 2005

Final Status of LICOI/R/2015/60015

Applicant Name P. Yakulan

Date of receipt 04/08/2015

Request Filed With Life Insurance Corporation of India

Dear sir/madam,

Please provide the details for the below mentioned questions.

1) Does LIC of India gives Life Insurance policy to widows who are in good health and having minor children and are working as self-employed but their earnings are below the income tax level and they do not have standard age proofs. They have voter ID card and aadhar card.

(1.1) widows who are in good health and having minor children and are working as a daily wage earners and they do not have standard age proofs. They have voter Id card and aadhar card.

2. Does LIC of India has any data that how many widows are insured with LIC of India presently. If yes, please provide the information zonal wise. Request document (if any) document not provided

Status REQUEST DISPOSED OF as on 10/08/2015

Reply : Applicant is informed that LIC of India is considering the proposal received from the self-employed widows who are in good health and having minor children on the basis of standard age proof only. Nonstandard age proof is not acceptable. The information sought on number of widows insured with LIC of India presently, is not maintained as a record as provided under section 2 i of RTI Act 2005, at this office of the public authority. Hence information cannot be provided.

As you have seen this report, they accepted the imperfection of Government Regulations. Standard Identification proofs (age proofs, salary certificate) are the vital role for policy making, but there are only two major reasons to restrict the policy one is Risk factor and another one is Socio-Economic conditions of widow's life.

Speculations of Insurance companies on illiterate widows

Risk Factor: Still sticking to the myth that women cannot work and their mortality rate is higher.

Socio- Economic condition of widow's life: They mostly are dependents and are highly uninsurable.

Reality

What difference will the insurance companies will give if they are ready to give 5th standard educated certified widow and 9th standard educated but unfortunately she doesn't have the school certificate. Even the illiterate women are doing their self-employed works and mostly engaged themselves with self-help groups.

DISCUSSION AND CONCLUSION

This is a very challenging topic, because this discussion were made according to the certain criteria. Explore and enhance the quality of widow woman's life through financial security. Government should provide them adequate financial coverage through insurance companies for widows children future aspects and to eradicate poverty. Providing Life Insurance to these underprivileged categories does no harm to the Companies; instead it will provide a safety measure for children of such widows. State institutions should frame policies to give social security for widows under the poverty line. Its gives us good expected changes for upcoming generation.

ACKNOWLEDGMENT

Firstly, I would like to express my sincere gratitude to my mentor Prof. ARUN THIRUVENGADAM, Azim Premji University, Bengaluru. Am extremely thankful and indebted to him for sharing expertise,

and sincere and valuable guidance and encouragement extended to me.

I am also grateful to Coordinator, Prof. SRI KRISHNA AYYANGAR in the School of Public policy and Governance, Azim Premji University, Bengaluru

I take this opportunity to express gratitude to all of the faculty members for their help and support. I also thank my parents for the unceasing encouragement, support and attention. I am also special grateful to my wife who supported me throughout this work.

I am using this opportunity to express my gratitude to everyone who supported me.

Economic Research, Osaka University Email: yintingjp2001@yahoo.co.jp

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FIGURES

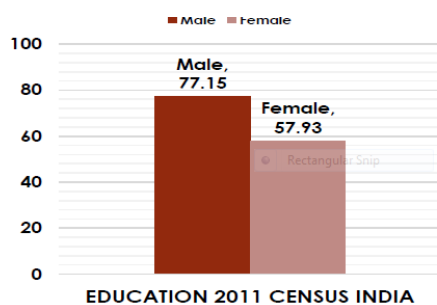


Figure 2 (b)

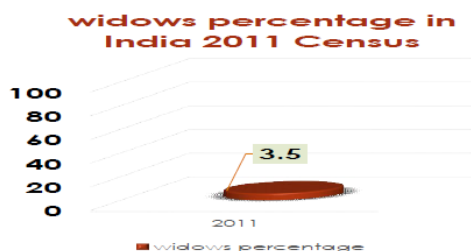


Figure 3 (c)

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