UNIT 15 : SOCIAL SECURITY

UNIT STRUCTURE

15.1 Learning Objectives
15.2 Introduction
15.3 Concept of Social Security
15.3.1 Social Assistance
15.3.2 Social Insurance
15.4 Origin and Development of Social Security
15.5 Importance of Social Security in India
15.6 Methods of Social Security in India
15.6.1 Workmen's Compensation Act
15.6.2 Maternity Benefit Act
15.6.3 Minimum Wages Act
15.7 Measures of Social Security
15.8 Let us sum up
15.9 Further Reading
15.10 Answers to Check Your Progress
15.11 Possible Questions

15.1 LEARNING OBJECTIVES

After going through this unit you will be able to-

- understand the concept of Social Security.
- explain the importance of Social Security.
- discuss the various measures of Social Security in India.

15.2 INTRODUCTION

In the previous units, we have already learned about various welfare measures for women, children, youth and the aged. We have also discussed the welfare measures for the weaker sections of the society.

Every society today faces a situation which has never been known before. The unprecedented rise in the population growth and growing inequality among the people due to unbalanced economic development of have created certain implications leading to the increasing sense of insecurity prevelent among large section of people. To protect the individual and the society from the uncertainties of future Social Security has been adopted as an indispensable national programme. In this unit, we will discuss the concept of social security, its importance with emphasis on the various social security measures adopted in India.

15.3 Concept of Social Security

The concept of 'Social Security' is multi-dimensional in its contents. With the emergence of industrial revolution in the Western countries it acquired special significance in the then prevailing socio-economic structure of the society. The term 'Social Security' was coined for the first time for the United States Social Security Act, 1935. In the United States of America the term 'Social Security' is used to denote various schemes that seek to security of, the old age, individuals against old age, invalidity and health problems. These schemes function under the control of the Federal Governments.

The International Labour Organisation (ILO) defines Social Security as "the security that society furnishes through appropriate organization against certain risks to which its members are perennially exposed. These risks are essentially contingencies against which an individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows."

The mechanics of social security, therefore, consists in counteracting the blind injustice of nature and economic activities by rational, planned justice with a touch of benevolence to temper it. This definition of ILO centers on the provision of support to an individual or to his/her family by protecting them against falling into contingent poverty. This means that the individual is otherwise not poor but suffers from contingent poverty. These contingencies as per ILO are sickness, medical care for the worker,

maternity, unemployment, work injury, death of worker, invalidity and widowhood.

The contingencies, however, are the work related contingencies and the individual and his family will be protected only in case the individual is working before becoming a subject of the contingency. Thus, being employed is a precondition for becoming eligible for social security benefits. Ironically, this definition does not cover the protection that has to be provided for the people who are already poor, and therefore, the Social Assistance programmes cover them. Social Security denotes the guarantee which the State undertakes to compensate the worker in case of his loss of income during any period which may take place due to sickness, industrial injury, unemployment or old-age invalidity. The benefits are provided to the worker either in the form of lump sum payment of cash benefits or cash contributions of recurring nature or both and these are the main benefits provided to the worker under the heading of 'Social Security'. Thus, Social Insurance and Social Assistance are the two basic schemes which fall within the definition of the term 'Social Security'.

15.3.1 Social Assistance

Social assistance programmes provide benefits sufficient to meet the minimum needs of a person of small means. The special characteristic of these measures is that they are financed wholly from the general revenues of the State. Thus, it is the State which takes the initiative to adopt these measures for the benefit of common men. Benefits under the scheme of social assistance are given as a legal right to them, provided they fulfill certain conditions. However, the benefits provided and the needs test applied differ from country to country. The first risk to be covered was that of old age, but gradually non-contributory benefits were introduced for invalids, survivors and unemployed persons as well. Today social assistance programmes cover programmes like unemployment assistance, old age assistance and national assistance.

15.3.2 Social Insurance

Sri K.N. Vaid has defined social insurance as the, "giving, in return for contribution, benefits upto subsistence level, as of right and without means test so that an individual may relay upon it. Thus, social insurance implies that it is compulsory and that men stand together with their fellows."

Social Insurance has also been defined as "a cooperative device which aims at granting adequate benefits to the insured on compulsory basis, in times of unemployment, sickness, and other contingencies with a view to ensuring a minimum standard of living out of a fund created out of the tripartite contributions of the workers, employers and State." But social assistance is purely a Governmental affair and financed wholly from the general revenues of the State.



CHECK YOUR PROGRESS

(i) What is Social Security ?

(ii) Mention the difference between Social Assistance and Social Insurance.

15.4 Origin and Development of Social Security

The concept of social security is as old as the history of man. Stories of the Bible tell us how, during the years of famine, Joseph tried to tide over the situation by making use of surplus stocks of grain which he had stocked during the earlier years of plenty. The oldest institution of social security is the family that includes the extended family. Industrial revolution in the Europe had seen the growth of urban and industrial centres that affected the rural joint families, thereby disturbing the institution of social security in the joint family system.

When the individual was unable to take care of his own needs, the society realized the importance of protecting the individual and his family. In Great Britain, the Poor Laws were enacted to provide minimal food and

shelter in a workhouse to the poor. Private savings, compensation by employers' mutual aid or mutual benefit societies, private insurance and life insurance are some o the evolutionary forms of social security efforts.

The purpose of any social security measure is to give individuals and families the confidence that their level of living and quality of life will not erode by social or economic eventuality; to provide medical care and income security against the consequences of defined contigencies; to facilitate for the victims physical and vocational rehabilitation; to prevent or reduce ill health and accidents in the occupations; and finally, to protect against unemployment by maintenance and promotion of job creation and to provide the benefit for the maintenance of any children are some of the a vowed objectives of the social security system.

15.5 Importance of Social Security in India

Article 43 of the Constitution of India speaks of the state's responsibility to provide social security to the citizens of this country. Modernization and urbanization have resulted in radical socio-economic changes and giving rise to new conflicts and tensions consequent upon the erosion of age old family and fraternal security. The transition from agricultural economy to an industrial economy brought in some special accompanied problems that called for social security. Social security is the security which the society, especially the state and the employer, furnishes through appropriate organisation against the risks against which an individual of small means cannot today stand up by himself or even in private combination with his fellow countrymen. Thus, social security measures have a two- fold significance for every developing country. They constitute an important step towards the goal of a Welfare State, by improving the living and working conditions and affording the people protection against the uncertainties of the future.

The Royal Commission on Labour noted that majority of industrial workers had migrated from villages. The new environments of urban setting had created for them unprecedented problems such as absence of

pleasures of family life, malnutrition, food adulteration in cities, over-crowding in sub-standard houses and various types of industrial hazards all militating against the good physique and health of the worker which he originally possessed when he migrated from the village. It was, therefore, essential that special measures were taken to guard against the dangers of all such factors as were adversely affecting the health of workers.

The Labour Investigation Committee also studied in great detail the medical and health care amenities provided to workers outside the workplace. It stated that although provision of such amenities was largely the function of municipal and local bodies, it was also the responsibility of the employers partly to provide such facilities to their workers. The committee, therefore, supported the move, then reported to be under consideration of the Government of India, for unified scheme of social insurance to provide medical and health care in respect of three contingencies- sickness, employment injury and child birth.

Article 41 of the Constitution of India says that, "the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness, and disablement and in other cases of undeserved want."

Considering the Importance of Social Security, the International Social Security Association rightly said: "No peace without social justice and no justice without social security."

15.6 Methods of Social Security of India

The evolution of social security in India in the systematised methods of social assistance and social insurance is the result of the influence of the West. Some important legislative measures adopted by the Government of India are given below :

15.6.1 Workmen's Compensation Act

The Workmen's Compensation Act, 1923 followed the British Model with changes to suit the Indian conditions. The objective of the Act is to impose an obligation upon employers to pay compensation to workers for accidents, arising out of and in the course of employment. The Act has prescribed separate scales of compensation for death, permanent total disablement, permanent partial disablement and temporary disablement. The Act applies to all workers employed on monthly wages not exceeding Rs. 3,000 and who are employed in factories, mines, plantations, transport and construction work, railways and certain specified hazardous occupations.

The Act is administered by the State Governments who are required to appoint commissioners for the workmen's compensation. The duties of the commissioners include- (1) settlement of disputed claims (2) disposal of cases of injuries involving death and (3) revision of periodical payments.

15.6.2 Maternity Benefits Act

The Maternity Benefits Act 1961, regulates the employment of women in certain establishment for certain periods before and after child birth and provides for maternity and other benefits. The Act applies to mines, factories, circus industries, plantations, and shops and establishments employing ten or more persons except the employees covered under the State Omsiramce Act 1948. It can be extended to other establishment by state government. There is no wage limit for coverage under the Act.

A woman employee is entitled to maternity benefits provided under the Act, if she has worked for a period of atleast 160 days in twelve months immediately preceding the day of her expected delivery. For nursing mothers, the Act provides two nursing breaks of prescribed duration, in addition to the rest interval for nursing the

child until the child attains the age of fifteen months. The administration of the Acts in all the States is the responsibility of the Factory inspectorates. Whereas in the Coal Mines the Welfare Commissioner is in-charge of it, the Director General of Mines Safety is in-charge in mines other than coal mines.

15.6.3 Minimum Wages Act

The main aim of the minimum Wages Act 1948 is for fixing minimum rates of wages in certain employments. It extends to the whole of India and applies to scheduled employments in respect of which minimum rates of wages have been fixed under this act. The appropriate government shall fix the minimum rates of wages payable to employees employed in a scheduled employment, review at such intervals not exceeding five years the minimum rates of wages so fixed and revise the minimum rates if necessary. The minimum rates of wages may be fixed as a minimum time rate or a minimum piece rate or as a guaranteed time rate. The employer shall pay to every employee in a scheduled employment under him the wages at the rate not less than the minimum rates of wages fixed under the Act. This section makes provisions to appoint authorities to hear and decide all claims arising out of payment less than the minimum rates of wages or any other monetary payments due under the Act. The presiding officers of the Labour court and Deputy Labour Commissioners are the authorities appointed.

15.7 Measures of Social Security

There are several schemes providing social security to the workers against such contingencies as ill health, industrial accidents, maternity etc. These are: (1) Employee's State Insurance Scheme (ESI), (2) Employees' Provident Funds, (3) Employees' Deposit-linked Insurance Scheme (4) Gratuity Scheme, (5) Death Relief, (6) Family Pension (7) Coal Mines

Provident Fund (8) Working Journalists Act, (9) Coal Mines Provident Fund Deposit-linked Insurance Scheme (10) Coal Mines (Attendance) Bonus.



CHECK YOUR PROGRESS

(i) When was the Workers Compensation Act enacted?

(ii) Why was the Maternity Benefit Act passed?

(iii) Mention other measures of Social Security



15.8 LET US SUM UP

In this unit, we have learned that -

- Social Security is the security which the society, especially the state and the employers, furnishes through appropriate organizations to the individual members of the society who are exposed to certain risks.
- Social Insurance and Social Assistance are the two basic schemes of social security.
- It was found that majority of the industrial workers had migrated from villages. Therefore, the transition from agricultural economy to an industtrial economy brought in special accompanied problems that called for social security.
- The main objective of Workmen's Compensation Act is to impose an obligation upon employers to pay compensation to workers for accidents arising out of and in the course of employment.
- The Maternity Benefit Act, 1961, provides maternity and other benefits for women employers for certain periods before and after child birth in certain establishments.
- According to the Minimum Wages Act, 1948, the Government shall fix the minimum rates of wages payable to the employees employed in a scheduled employment.



15.9 FURTHER READING

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15.10 ANSWERS TO CHECK YOUR PROGRESS

Check your Progress 1

(i) Social Security is the security which the society especially the state, and the employers furnish through appropriate organizations to the individual members of the society who are exposed to certain risks.

(ii) Social Assistance Programmes are financed wholly from the general revenues of the state and hence, it is purely a governmental affair. In Social Insurance, a common fund is established by employer, state and the workers out of which all the benefits in cash or kind are paid.

Check your Progress 2

(i) The Workmen's Compensation Act was enacted in 1923.

(ii) The rate of maternal mortality is highest in India. Therefore, many state Governments realised the importance of maternity benefit and have undertaken legislation on this subject.

(iii) Other measures such as - Employees State Insurance scheme, Employees provident fund scheme, employees Deposit - linked Insurance Scheme, Gratuity Scheme, Family pension, Coal Mines provident Fund, Coal Mines Bonus.



15.11 POSSIBLE QUESTIONS

A) Long Questions (Answer each question in about 300-500 words

Q.1. Define Social Security. Discuss the significance of social security in India.

Q.2. Write a note on Social Assistance and Social Insurance.

Q.3. Discuss the origin and development of Social Security.

Q.4. Highlight the major provisions of Workmen's Compensation Act and Maternity Benefit Act.

Q.5. Explain the measures of Social Security in India.

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