CHAPTER - II

CONCEPTUAL FRAMEWORK OF SOCIAL SECURITY IN INDIA
DEVELOPMENT OF SOCIAL SECURITY SCHEMES.

RISKS COVERED UNDER SOCIAL SECURITY IN INDIA.

SOCIAL SECURITY AND SOCIAL ASSISTANCE.

ANALYSIS OF VARIOUS DEFINITIONS OF SOCIAL SECURITY.

CONSTITUTIONAL STATUS OF SOCIAL SECURITY IN INDIA.

I.L.O. POLICY GUIDELINE & INDIA.
The concept of social security has admittedly emerged through a long period of evolution. Its history is probably as old as the history of men. The quest for survival has prompted mankind, from the beginning of its existence, to devise ways of protecting itself from the hazards of life. In the primitive societies, the contingencies against which protection was sought centred round the need for self preservation against the vagaries of nature and external aggression and were largely conditioned by the environments in which people lived. However, with the passage of time, both the nature of contingencies as well as the methods developed to meet them, changed a great deal.

Social security, in the modern era is essentially conceived of as a related concept to the high ideals of human dignity and social justice. The working class who plays a major role in the development of the country and contributes directly or indirectly to the country's prosperity should be provided adequate protection against certain risks and hazards to which his/her life is exposed either during the working period or as a consequence thereof. Mostly, these contingencies are economic but in certain cases these hazards may even be social. The concept of social security in a modern welfare state is broad enough to
provide comprehensive social security from 'Womb to Tomb'. The social security system is one of the characteristic institutions mainly developed during the twentieth century. Almost all independent countries have enacted social security measures according to their means and capacity to pay. The modern industrial society and the system of the present century have unequivocally recognised the importance of covering workmen from various risks specially when the old social structure is fast disintegrating owing to the rapid growth of industrialised life.

The concept of social security has various dimensions in its contents and complexions. After the emergence of industrial revolution, the governments of countries have been forced to adopt policies and programmes of social security within their respective constitutional set-up. Today almost all the democratic and socialist countries of the world have their own pattern of social security for a regulated social order.

(A) Development of Social Security Schemes:

The agencies which have been spearheading the movement for social security consist of both voluntary and governmental agencies. However, the voluntary agencies which are sometimes run on the basis of religion or community strictly confine their activities within the perimeter of group interests. Looking at the
prevalence of various structures of the social security schemes, we can conveniently group the same in the following two basic categories.

i) Non-statutory social security schemes.

ii) Statutory social security schemes.

i) **Non-statutory social security schemes**

At the formative periods of the concept of social security, non-statutory schemes were the only measures available to save the depressed class from the social evils of poverty and misfortune. These schemes were introduced without any aid from the Government and these schemes were organised by people of a certain community or by people of a certain profession. These schemes were mainly divided into three types.

a) Schemes run by voluntary organisations.

b) Public assistance.

c) Gratuitous benefits provided by the employers to the workers.

(a) **Schemes run by Voluntary Organisations**

The voluntary organisations which were motivated by the idea of providing benefits only to the members of their own folk, i.e.,
on the basis of community or caste, received regular or intermittent funds from the members of that particular community or caste. Thus the friendly societies of Great Britain, being voluntary organisations, covered within its activity the old people, the workers, and persons from other important professions. These organisations provided insurance against illness and other similar contingencies which resulted in loss of income to the workers. However, similar organisations were subsequently formed in the United States and in many other countries of the world. At that time trade organisations took a pioneering part in arranging for helps against sickness, accidents or unemployment due to strike or lockout. Such organisations were, however, very unorganised and had no definite period of existence and in most cases they were dissolved after some time. Another drawback of these organisation was that persons of only selected financial background could join such organisations. Distressed funds opened by voluntary organisation or any particular organisation may be mentioned as an instance of this kind.

(b) Public assistance

The need for providing public assistance in the form of family allowances, unemployment allowances, old age pension allowances, to the needy and the helpless persons was initially introduced in the advanced countries which were committed to the principles of
public welfare and upliftment of human values. Public consciousness in these countries is indeed one of the causes for such transformation of ideas on the part of government leading to provision of such basic amenities. These benefits were first provided in countries like France, The United States, Britain, Canada etc., followed by Denmark and Sweden.

However, with the passing of diverse legislation in the field of social security, many of such benefits were withdrawn specially upon persons who could claim similar benefit for his/her being a worker. It is against this backdrop of growing tendency for legislation in the arena of social security, that the public assistance programmes once lost its significance. However, it is seen that in the third world countries where the problem of unemployment have assumed menacing proportion, public assistance is emerging as a strong weapon to deal with wide spread social tensions particularly caused by the frustration among youths. The poverty situation also can not give rise to the formation of so many voluntary organisations which could take care of the old, infirm and the physically and mentally handicapped. In India, a number of State Governments have already announced schemes for payment of unemployment allowances, old age pension and concessional transport service to the old and the ailing citizens. The alarming unemployment situation in India has forced its government to seriously consider introduction of right to
work as a fundamental right in the Indian Constitution. However, such public assistance programmes have also suffered from paucity of fund in the past and their continuity is subject to availability of funds from Government kitty.

(c) **Gratuitous benefits provided by the employer to the workers**

Before the passing of the social security legislation in most countries of the world, a system prevailed under which the employer paid compensation to the employee in the case of his employment injury or engaged him in alternative job just to provide him the continuity of service. Although this was essential to preserve the high morale of employees, yet its voluntary nature could not ensure or guarantee any sort of uniformity and dependability in the wishes of employers. As such, these considerations as were made by certain employers purely developed upon their human consideration and ability to afford payment, since the entire payment was the burden upon the individual employer or his group.

(ii) **Statutory Schemes**

The well being of the people which is the major concern for any government committed to the ideal of welfare state, has been conceived of by almost all countries of the world as the first
essential step for steady and rapid economic growth. This led to the passing of various acts some of which had their basis on the occupational distribution of workers while others had general applicability in respective fields. However the quantum of benefits, qualifying period, nature and extent of risk covered under the statutory schemes vary from country to country and within the same country too they vary at two different times. This statutory nature of aid mainly takes two forms viz., social assistance and social insurance. The system of social security made its appearance in India relatively at a later stage than in many of industrially developed countries mainly for her slow growth in industrialisation.

At present, social security legislations in India comprises the Workmen's Compensation Act, 1923, the Central and State Maternity Acts, the Employees' State Insurance Act, 1948, the Coal Mines Provident Fund and Bonus Schemes Act, 1948 and the Employees' Provident Fund Act, 1952, etc. The major objectives in the form of specified risks and the laws under which they are covered are shown in the Table below:

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Social Assistance and Social Insurance

The concept of 'Social Security' is mainly comprised of two synonymous terms viz., (a) 'Social Assistance' and (b) 'Social Insurance'. Though basically Social Insurance and Social Assistance are meant to ameliorate the conditions of the masses and both are of the main instruments to provide financial assistance yet, they differ from each other in terms of their substance and operation. It is appropriate here to discuss the essential features of the concept of social assistance and those of social insurance.
(a) **Social Assistance**

The social security schemes of the present world are known by various names in different countries with particular distinctiveness in terms of area of operation, risk covered and the benefits available. Social assistance was first introduced by Denmark at the end of nineteenth century. It was experienced in course of time that the workers who had put in their services did not prefer to get help from poor relief fund. Therefore, it was soon converted into a legal right for citizens. The benefits were provided in the form of old age, unemployment, invalidity and sickness assistance. Subsequently, this scheme was adopted in the same pattern, in Britain, New Zealand, and United States of America. In some countries social assistance benefits are available only to the persons who are not covered by the social insurance. However, in most countries social assistance is followed either because the system of social security is not fully developed or because complicated administrative or technical problems are involved in its implementation.

Social assistance is in fact a broad based ideology which embraces within its coverage all residents irrespective of whether he or she is in employment or not. Although the fund for social assistance is basically financed by the Government from its various sources of revenues, yet at the same time the scheme
is also financed by the voluntary contribution from the trusts and the charitable and religious funds. In course of time, it has been experienced that social assistance fails to provide security to the needy people of the country, particularly those who are old and not employed in organised employment.

Social insurance and social assistance are the two synonymous terms as far as their objects are concerned. Both aimed at the same object i.e., to meet the problem of poverty and the want faced by a person. In the case of contingency arising owing to an accident resulting in injury, occupational disease or old age inability, financial assistance is provided to the concerned parties under the scheme of 'social assistance' as well as 'social insurance'. Originally the idea of social assistance included payment of allowances in case of loss of employment owing to any of the contingencies like injury, occupational disease, old age inability etc. But later the idea has been developed not only to provide for loss of income but also to provide individualised service in case of individual needs. The programme of taking preventive measures in order to avoid occurrence of contingency is also included within the scheme of 'Social Assistance'. It has been observed that ultimate objective of social assistance is to help each person to improve his situation through his own efforts. Hence successful 'social assistance' is of much utility because this phenomenon of social
assistance. Fights (against) contingencies namely, need, distress, infirmity, helplessness, apathy, maladjustment etc.¹

The huge involvement of State's fund under 'social assistance' can be much reduced if preventive measures are taken against certain contingencies. This will reduce the chance of occurrence of the contingencies as well as save the expenses from Government funds. Also the payment of flat rate of allowances to all workers irrespective of their needs deserves to be modified to the nature of graduated scheme of social assistance with variable rates.

(b) Social Insurance

Social insurance is that scheme of assistances for workers in which graduated rates of contributions are paid by the workers against the assurance of benefits in case of contingency. The social insurance implies that it is compulsory for men to stand together with fellows and jointly cater the needs of each other in case of contingency.

Lord William Beveridge has defined social insurance as "Plan

¹. Pekka Kussi, Social Policies for the sixties - A plan for Finland (1961)
of Insurance of giving in return for contributions benefits up to subsistance level, as a right and without meanstest so that individuals may build freely upon it"\(^2\).

The term social insurance has been defined in chambers encyclopaedia as under:

"Social insurance is a system where compulsory contribution entitles the insured person to benefits of a predictable size when certain conditions are fulfilled"\(^3\).

The aforesaid definition may be enlarged into following ingredients:

(a) Social insurance is a system in which members of the scheme are required to contribute compulsorily in proportion to their wages.

(b) These members are entitled to get benefits of a specified amount.

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2. Lord Beveridge, Report on Social Insurance and Allied Services, Para 7, 10 (1942)

(c) The benefits can be obtained on the compliance of the specified conditions.

Social security is a modern idea though in some of its crude forms it might have existed in medieval craft, merchant guilds and friendly societies in the twelfth century, by way of attempt to meet the common risk of life by mutual action.

The basic features of the scheme of social insurance are that
(a) certain risks which cannot be faced by the persons in their individual capacity are faced collectively by a group of persons;
(b) for that purpose they have pooled together their resources;
(c) also benefits are provided to them in case of contingency;
(d) this makes them maintain their standard up to a subsistence level; (e) benefit are payable to them according to rates prevalent as a matter of right in accordance with their salary or income; (f) the payment of contribution is obligatory since they are insured against the risk compulsorily.

Although it has been proposed by the I.L.O. that the social insurance system should cover the whole of the population as far as practicable, yet in actual practice it is found that only a certain category of the population could be covered under it. Contributions are paid, not at a flat rate, but at a graduated rate by the insured persons. Benefits are also not paid on an
uniform basis i.e. variable rates are payable to different persons according to their rates of contribution and it is not related to the needs of the insured person. Since social insurance is run without any commercial motive, the state or any other body created on its behalf can enforce the scheme of 'Social Insurance'. In this context, it has been aptly observed by Lord William Beveridge as under:

"The state in organising security stifle incentive, opportunity, responsibility in establishing a national minimum, it should leave room and encouragement for voluntary action for each individual to provide more than the minimum for himself and his family".  

It can be noticed from the above that social insurance should exist only to fulfill the minimum need of human contingencies and although statutory there should be provision for withdrawing the same from upon those who could afford to have higher amenities outside the statutory binding. Based upon this, the Indian social insurance law permits any particular community to be covered out of it, subject to the satisfaction of the authority that the new obligation will afford greater benefit.

than the one provided under the scheme.

Thus any scheme of social insurance may have the following essential features.

(a) **Purpose of Social Insurance**

Social insurance aimed at protecting the wages of those workers who do not have sufficient source to support their own self or their families in case of loss of income due to old age, unemployment, and invalidity. Various factors are taken into account before any social insurance scheme is designed for the purpose of implementation. These include prevalence of similar legislation providing benefit for the same cause, the economic justification for employers having small units etc.

Although the basic aim of any system of social insurance is to cover all systems of the working population, yet there are inherent limitations in its object in achieving the goal of absolute coverage of all working population. For example, absolute coverage by any social insurance system is not practicable because of the prevalence of seasonal occupations like agriculture.
(b) **Criterion for extending coverage**

Since the object of social insurance is only to provide the minimum needs to the poor and oppressed among the working class, all the employees of an establishment are not usually included within it.

The chief considerations which initially guided the criterion for bringing the working class within the coverage of social insurance were the cases in which there was a direct agreement between the employers and the employees and the employers had the discretion to engage such workers in any job including the jobs entailing occupational hazards and mischiefs. Secondly, social insurance was also felt necessary in areas of employment where workers are appointed on casual basis. However, a casual worker shall not be entitled to such benefits if the casualness is at the end of his volition. For such a nature of work gives him the opportunity to be with his two vocations, namely, both seasonal employments. Thirdly, the benefits of social insurance were available to only the ill-paid employees who did not have the means to protect themselves from contingencies. But, gradually it was felt that all the employees needed protection against these contingencies and hence the applicability of the Act should be extended beyond any arbitrary limit.
c) **Social Insurance for self employed persons:**

The problem of social insurance with the self employed person stands on a different footing than the problem of social insurance of employed person. While the need for having social insurance for self employed person is very much justified, the problem with such insurance is who will bear the burden of loss in case of contingency.

d) **Distribution of cost in case of social insurance:**

In economically developed countries where the government's financial condition is not very bad, a major share of the cost of social insurance scheme is borne by the government. This is particularly feasible in countries where the standard of living of the people is high. In most countries of the world, however, social insurance cost is shared by the employers, the employees and the government. In countries like the U.S.S.R., the cost of social insurance has to be borne by the employer alone. Unlike
in the U.S.S.R., in the U.S.A., Pakistan, Burma and in some other countries, the cost of social insurance is borne by the employer and the employee.

In many countries, the agency for administering the scheme of social insurance is either the government or an agency created by it through statutory enactment. However, the existence of private organisation is also noticed in a few countries of the world which are mostly in the form of limited companies. However, in countries where social insurance is being run by private bodies, the objective of service motive is likely to suffer much since private organisations will be guided by their own profit motives.
(B) **ANALYSIS OF VARIOUS DEFINITIONS OF SOCIAL SECURITY**

Social security today is a socio-economic demand of every society irrespective of its political creed. It seeks to compensate for undeserved wants, disabilities, inequalities and deprivation of the established socio-economic order. It offers the underprivileged the dignity, self confidence, belief in just society and new means for moral, social and material betterment. Its notice is now a days universal owing to urge for balanced economic growth, world wide awakening of rights of individual/individuals in the society, emergence of welfare state and the like factors.

The expression social security was first used officially in the United States of America, and the expression caught the imagination of the Government, Planners and the employers. In many countries, the expression has by now acquired a definite and standard connotation. In the U.S.A., it means a Federal System of old age pension, unemployment, or disability insurance financed by funds raised by the Government with or without participation of employers or both the employers and the employees.

Although social security is a very wide term and it has acquired a global character, yet the irony is that it has not yet
acquired any standard or uniform definition. The International Labour Organisation is to be credited for the first systematic effort to define the term 'Social Security'. The I.L.O. definition bears reproduction:

"The security that society furnishes, through appropriate organisation against certain risks to which their members are exposed. Their risks are essentially contingencies against which the individual of small means and meagre resources cannot effectively provide by his own ability or foresight or even in private combination with his fellows, these risks being sickness, maternity, invalidity, old age and death. It is the characteristic of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency".  

Social security today is a multi-winged and multifaceted concept. In its extensive pervasiveness, the meaning is extended and applied to different areas to the extent of its characteristic harmony. However, the new meaning, as it emerges today depicts the term as under:

"Social security is the protection furnished by society to its..."

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5. I.L.O. approaches to social security P. 80
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 under employment, invalidity, destitution, social disability and backwardness, old age and death, and further to provide for health care, including preventive measures.

The concept of social security is based on ideals of human dignity and socio-economic justice. Underlying the concept is also the desire to give protection to its citizens to contribute to a country's total welfare, against certain hazards of life to which they are exposed either in the working life or as a consequence of it. These hazards are essentially economic though in some cases they may even be social.

"Social security, in other words, ensures a person against economic duties resulting from various contingencies and ensures him a minimum level of living consistent with the nation's capacity to pay."

Thus social security may be said to be an effective guarantee extended by the state against loss of income of the workers owing to sickness, industrial injury, unemployment, or old age invalidity. The benefits may either be of lump sum amount of cash or cash contribution of recurring nature or both, 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'.

Generally speaking, 'Social Security' means "safety and freedom from fear of want and hunger, and it is applied to society as a group of inter-related and inter dependent people. Although the term can be employed in conjunction with diverse frames of reference such as sociological, but in United States it is used primarily in the economic sense and it is so defined in the Social Security Act, 1935. A somewhat broader concept of social security includes all legislations - National, State and local which have the fundamental purpose of rendering financial protection to the people who otherwise are in grave need. When proof of financial need is required precedent to receipt of benefits, the programmes are called assistance or the relief. The term social insurance is applied to programmes which do not involve a needs test and applicant's eligibility for benefits is determined solely on the basis of whether or not they need the
specific requirement in the law".  

The aforesaid definition of 'Social Security' is constituted of the following elements:

(a) Purpose of 'social security' is to provide protection and relief to the workers against some contingency which exposes them to risk of social and economic insecurity;

(b) The members of the society who are interdependent are provided protection in the capacity of members;

(c) Although the economic point of view is the main consideration in American Social Security Scheme, yet sociological and physiological aspects are also taken into consideration;

(d) In the broader framework of the concept of social security, statutory enactments are included which are enforced at the Local, State and National level for the purpose of providing financial assistance to the persons in distress and having the need of assistance;

8. The Encyclopaedia of America : Vol.26, 186 (1960)
(e) The concept of social security is inclusive of social assistance as well as social insurance;

(f) For claiming financial assistance under the scheme of social assistance the worker is required to establish financial need on his part; and

(g) For being entitled to claim benefits under the scheme of social insurance, he has to discharge the burden of having complied with all requisite conditions specified under the law.

According to Laxicon Universal Encyclopaedia the term 'Social Security' has been defined as:

"Social security consists of public programmes intended to protect workers and their families from income losses associated with old age, illness, unemployment or death. The term is sometimes also used to include a broad system of support for all those, who, for whatever reasons are unable to maintain themselves"\(^9\).

The above definition can be conveniently analysed into following components:

\(^9\) Laxicon Universal Encyclopaedia Vol. 18, 14, (1983)
(a) Schemes enforced and regulated by the Government or some public authority on its behalf for the purpose of protecting workers and their families are designated as "Social Security" programme;

(b) Under these schemes financial protection is provided to the workers or their dependents in case of loss of employment, injury, old age invalidity or death; and

(c) Schemes of providing financial assistances to the persons unable to meet their necessities irrespective of any reason are also included within the term 'Social Security'.

W.A. Robson defines social security somewhat comprehensively as follows:

"Social security is a way of ensuring freedom from want or poverty which is one of the formidable obstacles in the way of progress. Social security implies insurance against those misfortunes to which an individual remains exposed even when the condition of society as a whole improves. It does not include the various measures for improving the condition of society - full employment, minimum wage, factory laws, public health, housing, education and so forth"\(^{10}\).

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10 W.A. Robson, 'Social Security' P.428
The peculiarity of the above definition is that it lays stress on individual welfare in view of social inequalities guaranteed by general social progress. The definition also specifically excludes certain items from the term of social security. The main emphasis in the definition is to show that social progress and individual happiness are not identical. The individuals continue to face troubles and misfortunes even when the society as a whole improves. Often this is caused by the imbalance and maldistribution of the benefits of social progress.

Maurice Stack defines social security taking note of environmental differences in various countries. He observes that "Each country must create, consume and build up the intellectual, moral and physical vigour of its active generation, prepare the way for its future generations and support the generation that has been discharged from productive life. This is social security, a genuine and rational economy of human resources and values".11

His definition takes note that in no two countries the conditions are the same. In the second place, he speaks of

adequate social security for the working and the retired individuals in the society. The stress is on both the quality and quantity of social security. But such a conception of social security offers only an ideal to be cherished, but can hardly be put into practice. There is always a big gap between what is ideally desirable and what is practically realisable. Hence the definition is far from realities of a society and the practicability of the realisation of its goals.

Sir William Beveridge a well known humanist and economist of England in his report on social insurance also advocated insurance against interruption and destruction of earning power and also for special expenditure arising at birth, marriage or death. According to Sir William Beveridge the object and the purpose of social insurance is as under:

"Social security fully developed may provide income security. it is an attack upon want. But want is only one of the five giants on the road of reconstruction and in some ways the earliest to attack. The others are disease, ignorance, squalor and idleness"\textsuperscript{12}.

A noted British writer, Ronald Mendelson also expressed the view

\textsuperscript{12}. Sir William Beveridge, Report on Social Insurance and Allied Service Para 8,6 (1942)
that social security system refers to:

"Any form of organisation designed to ensure income security for the whole or for the substantial portion of community by means of compensation to persons for lack of income from their own efforts or those of their bread winner, and also of health services designed to restore the sufferer to full earning capacity and to prevent him and his dependents from incurring under costs of maintenance of health".

The National Commission on labour defined the concept of 'Social Security' as under;

"Social security envisages that the members of the community shall be protected by collective action against social risks causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them. The concept of 'Social Security' is based on ideals of human dignity and social justice. The underlying idea behind social security measures is that a citizen who has contributed or is likely to contribute to his country's welfare should be given protection against certain hazards".13.

Thus the above definitions stress one or other aspects of social security. These aspects include income maintenance, medical care and covering of various contingencies and risks. The latest trend in the definition seems to require provisions of preservation of acquired standard of living and ensuring social minimum to those individuals in the society who are exposed to various inevitable social and economic risks despite general prosperity and who by their own means cannot provide for the same. The benefits generally covered by social security schemes, as reflected or inferred from various aforesaid definitions are medical care, sickness benefit, unemployment benefit, old age benefit, maternity benefit, invalidity benefit, survivor's benefit and so on. The definitions speak of the ever increasing role of the state in general and the role of employers and the labour in particular. The degrees of the shares of each depend on merits of each case and on the expediency of the situation.

Further to understand properly the concept of social security it is worthwhile to study the activities which are outside the pale of social security. Many activities of state are loosely linked with and promote social security which immediately are not social security activities. The activities excluded from social security are the following.

(i) Military defence, prevention of civil strife, police forces
and administration of justice, which provide security of life, limb and property against criminals;

(ii) Education is excluded as it is a social service rather than a form of social security; and does not provide protection against the risks of life in quite the same sense. It is, however, intimately related to social security in so far it enables people more easily to hold their jobs and to adopt themselves to new occupations in periods, such as the present, of rapid economic and technological change;

(iii) Employment though outside social security, is associated with it. The Government actions to maintain high levels of employment by controlling credit and by budgetary and other measures of economic policy must promote and extend the span of social security programme;

(iv) Measures and comprehensive policies to eliminate such causes of insecurity as unemployment, inadequate housing, general health services and illiteracy are vital elements in a constructive welfare programme, and are intimately linked with, but distinct from social security;

(v) Firm prices control programmes applied by Governments for economic and political reasons too have not a direct bearing on social security;
(vi) Food subsides, rationing and price control are generally excluded, as their main purposes are different from those of social security;

(vii) Wage subsides to low paid workers are also outside social security, the problems of such workers are better solved by minimum wages systems;

(viii) The relief of distress or famine caused by floods, earthquakes, droughts and other natural catastrophies is considered to be a form of social security, but large scale capital works for flood control, irrigation are not.\textsuperscript{14}

CONSTITUTIONAL STATUS OF SOCIAL SECURITY IN INDIA:

The Indian Constitution transparently contains provisions relating to various aspects of the welfare of people. The preamble to the constitution sets the goal, the attainment of which shall be the solemn responsibility of the Government. However, specific provisions concerning the welfare of the working class population are contained in the Directive Principles of State Policy.

\textsuperscript{14} Based on 'Economic and Financial aspects of Social Security' by Richardson PP 28-29.
Two of the significant provisions relating to working class in the Indian Constitution are the provisions under Articles 23 and 24 which contain provisions against exploitation of workers and prohibition of employment of children in factories. Apart from these two provisions, other measures relating to working population are embodied in the Directive Principles of State Policy. These principles manifest that Indian people have to achieve economic independence and adopt democracy as a way of life through welfare measures and positive action of the state. Infact, the Directive Principles set standard of achievement for the state to evolve a socio-economic order which ensures socio-economic and political justice and economic democracy. All these ultimately lead to the establishment of the welfare state. Though these principles are not justiciable yet, they are fundamental in the governance of the country and it will be the duty of the state to apply these principles in making laws. These various Articles in Part IV of the Indian Constitution which have directly or indirectly bearing on social security measures and legislation and also promoting welfarism are Article 38 (2), 39 (e) and (f) 41, 43, 47.

**Article 38 (2):**
"The state shall, in particular strive to minimise the inequalities in income and endeavour to eliminate inequalities of state's facilities and opportunities, not only among
individuals but also among people residing in different areas or engaged in different vocations.  

Article 39 (e) :

"The state shall in particular direct its policy towards securing that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age and strength".

Article 39 (f) :

"The state shall, in particular direct its policy towards securing that children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and maternal abandonment".

NOTE : In this work only the social security part of socio-economic legislation has been discussed on point and also for the precision.

23. Inserted by the Constitution (Forty-fourth Amendment) Act 1978

**Article 41:**

"The state shall within the limits of its economic activity and development, make effective provisions 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".

**Article 42:**

"The state shall make provision for securing just and human conditions of work and for their maternity relief".

Article 43 provides that the state shall strive to secure living wage, a decent standard of life and full employment of leisure and social and cultural opportunities to all the workers, agricultural and industrial or otherwise.

Again Article 47 imposes a duty on the state to raise the level of nutrition and the standard of living and to improve public health.

These Articles reproduced above are intended to secure, besides social security measures, a new social order in which the citizens should be assured socio-economic justice. In fact,
these Articles secure social security, notwithstanding the fact that the most Articles mix social security with a more broad objective i.e., public welfare. To implement the ideals in the Directive Principles of State Policy both the Central as well as State Governments are empowered to enact legislation in relation to 'labour' as embodied in list III (The concurrent list) of seventh schedule of Indian Constitution. Entry 23 of this list deals with "Social Security and Social Insurance", employment and unemployment. Again entry 24 of this list deals with 'welfare of labour' including conditions of work, provident funds, employer's liability, workmen's compensation, invalidity, old age pensions and maternity benefits. Consequently various social security legislations like Employees' State Insurance Act, 1948, Employees' Provident Fund and Pension Fund Act, 1952, Maternity Benefit Act, 1961 and Gratuity Act, 1972, were enacted which are widely known as instrumentalities of social security system in India.

I.L.O. Policy Guideline & India

The International Labour Organisation has been the pioneering body in establishing labour standards in the form of conventions or recommendations for adoption by its member countries since 1919. Whether an instrument should take the form of a convention or recommendation depends largely upon the degree to which
uniformity has been achieved or could be expected in international practice. The International Labour Organisation conference has adopted till the end of 1986, 162 conventions and 172 recommendations. A convention becomes a binding international instrument after it is ratified by a country. Member states ratifying a convention have to give effect to its individual provisions through legislation or otherwise. It is important that a convention has to be ratified in toto or not at all. On the other hand, a recommendation is only a guide to national action and member states have the discretion in the matter of giving effect to its provisions either immediately or gradually.

By the end of 1986, India had ratified 34 conventions; of these, one convention (No. 2) concerning unemployment which was ratified by India in 1921 was subsequently denounced. A list of 34 conventions which have been ratified are being implemented by India is given in the following statement.

TABLE : 2.1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Title and No. of Convention</th>
<th>Date of Ratification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. 1 Hours of work (Industry) Convention 1919.</td>
<td>14.07.1921</td>
</tr>
<tr>
<td>2.</td>
<td>No. 2* Unemployment Convention 1919</td>
<td>14.07.1921</td>
</tr>
</tbody>
</table>

* Ratification denounced.

25. Indian Labour Year Book 1987 P.232
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>3.</td>
<td>No. 4 Night Work (Women) Convention 1919</td>
<td>14.07.1921</td>
</tr>
<tr>
<td>4.</td>
<td>No. 5 Minimum Age (Industry) Convention 1919</td>
<td>09.09.1925</td>
</tr>
<tr>
<td>6.</td>
<td>No.11 Right of Association (Agriculture) Convention, 1921</td>
<td>11.05.1921</td>
</tr>
<tr>
<td>7.</td>
<td>No.14 Weekly Rest (Industry) Convention 1921</td>
<td>11.05.1921</td>
</tr>
<tr>
<td>8.</td>
<td>No.15 Minimum Age (Trimmers &amp; Stockers) Convention 1921</td>
<td>20.11.1921</td>
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<td>9.</td>
<td>No.16 Medical Examination of Young Persons (Sea) Convention 1921</td>
<td>20.11.1921</td>
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<tr>
<td>10.</td>
<td>No.18 Workmen's Compensation (Occupational Disease) Convention 1925</td>
<td>30.09.1927</td>
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<td>12.</td>
<td>No.21 Inspection of Immigrants Convention 1926</td>
<td>14.01.1926</td>
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<td>13.</td>
<td>No.22 Seamen's Article of Agreement Convention 1928</td>
<td>30.10.1928</td>
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<tr>
<td>14.</td>
<td>No.26 Minimum Wage Fixing Machinery Convention 1928</td>
<td>10.01.1928</td>
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<td>15.</td>
<td>No.27 Marking of Weights (Packages Transported by Vessels) Convention 1929</td>
<td>07.09.1929</td>
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<td>16.</td>
<td>No.29 Forced Labour Convention 1930</td>
<td>30.11.1930</td>
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<tr>
<td>17.</td>
<td>No.32 Protection against Accidents (Doctors) Convention (Revised) 1932</td>
<td>10.02.1937</td>
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<tr>
<td>18.</td>
<td>No.42 Night Work (Woman) Convention (Revised) 1934</td>
<td>22.11.1935</td>
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<tr>
<td>19.</td>
<td>No.42 Workmen's Compensation (Occupational Diseases) Conventions (Revised) 1934</td>
<td>13.01.1934</td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Title and No. of Convention</td>
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<tr>
<td>20.</td>
<td>No. 45 Underground Work (Women) Convention 1935</td>
<td>25.03.1938</td>
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<td>21.</td>
<td>No. 80 Final Articles Revision Convention 1946</td>
<td>17.11.1947</td>
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<td>22.</td>
<td>No. 81 Labour Inspection Convention 1947</td>
<td>07.04.1949</td>
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<td>23.</td>
<td>No. 88 Employment Service Convention 1948</td>
<td>24.06.1950</td>
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<td>24.</td>
<td>No. 89 Night Work (Women) Convention (Revised) 1948</td>
<td>27.02.1951</td>
</tr>
<tr>
<td>25.</td>
<td>No. 90 Night Work of Young Persons (Industry) Convention (Revised) 1948</td>
<td>27.02.1951</td>
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<td>28.</td>
<td>No. 111 Discrimination (Employment and Occupational) Convention 1958</td>
<td>03.06.1960</td>
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<td>29.</td>
<td>No. 116 Final Articles Revision Convention 1916</td>
<td>22.06.1962</td>
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<tr>
<td>32.</td>
<td>No. 115 Radiation Protection Convention 1960</td>
<td>17.11.1965</td>
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<td>33.</td>
<td>No. 141 Rural Workers Organisation Convention 1975</td>
<td>18.08.1977</td>
</tr>
<tr>
<td>34.</td>
<td>No. 144 Tripartite Consultation International Labour Standard Convention 1975</td>
<td>27.02.1978</td>
</tr>
</tbody>
</table>

In purely numerical terms, the number of conventions ratified by India may appear to be rather low as compared to the total number of conventions adopted so far by the I.L.O. However, the extent of implementation of international labour standards is considerably more than what is revealed by the number of formal ratification. The reasons for this gap are many. Some of the conventions deal with matters relating to non-metropolitan territories or with subjects which are not of direct concern to India and the question of their ratification, does not, therefore arise. Further, formal ratification of a convention imposes constitutional obligation on the member state concerned to secure its full and unreserved enforcement. As some of the conventions specify advanced standards which cannot be fully implemented, the Government of India has to satisfy itself by accepting the basic principle only, postponing formal ratification till such a time when circumstances become propitious facilitating such action. However, the Government of India is seeking suggestions from the tripartite committee or conventions set up in 1954 as to how far such conventions may be adopted in Indian context.

Thus it may be concluded that social security, in some or other form has been existing in human society since the early days of modern industrial civilisation. It provides security essential for survival and existence of human being. Social security
recognises the risk of every human being, whether connected with work environment or not, and tries to make alternative arrangement for mitigation of these miseries. Although the terms social insurance, social assistance and public service are somewhat synonymous in their meaning, yet each of them maintains its distinctiveness with regard to coverage, source of finance and conditions of service. In the present context, the social insurance is gaining increasing popularity over its counterparts viz. social assistance and public service, mainly because of the reason that the economic order of most developing countries of the world is not very sound to afford colossal expenses for public welfare. The principle of insurance under social insurance could help relieve any government from excessive involvement of funds for public welfare. However, social security should not be confused with the welfare measures undertaken by the government, such as steps to remove economic inequalities, relief and rehabilitation programme, government policy to generate employment etc. Nevertheless, social insurance consistently relates with risks in the existing order of life and not in extending public welfare services.

The need for articulating social security objects was also realised by the framers of Indian Constitution and accordingly various objects containing specific measures were recommended in its Directive Principles of State Policy. However, social
security, in the modern era, has not remained an individual issue of a country. There is universal awakening for safeguarding human values and more particularly of the working community. The International Labour Organisation fixes standards to uniformalise the conditions of labour all over the world. They serve as guide to actions of various governments in labour policies. However, the variance of countries in the level of economic standards does not allow each of them to follow these directives flowlessly. In practice, countries often give effect to these standards only when the political and economic condition sanctions such a step.

Thus after throwing light in to the various aspects of conceptual problems of social security and its international standards, it is desirable to have a discussion on the various inter-relationship between social security, labour welfare and labour productivity.