SOCIAL SECURITY MEASURES

Security of life and livelihood are resurfacing today as issues central to the development discourses.¹ When it was realised that the magic formula, “growth-created-welfare-for-all” was unworkable in most developing countries, the search for new ways to achieve a decent living for all has became a matter of high priority. One route to this goal was providing social security coverage for all.

Social Security is a basic human right and it is related to the high ideals of human dignity and social justice. Its main objective is to protect the poor and vulnerable and to ensure that they have an acceptable standard of living. In modern welfare states, social security schemes take care of persons from ‘womb to tomb’. Social security is one of the pillars on which the structure of welfare state rests because social security is a major aspect of public policy today, and the extent of its prevalence is a measure of the progress made by a country towards the idea of a welfare state.”²

The essence of social security lies in its endeavours to counteract the blind injustice of nature and in the planned measures taken to reduce the distress caused by economic factors. It is essential for the well-being of people and the society, and its fulfillment will contribute to achieving the various Millennium Development Goals, especially that of halving by 2015 the proportion of people with an income of less than one dollar a day.

The vision for social security encompasses not merely alleviation of poverty, but also enhancement of quality of life and thus creating a hedge against social and economic uncertainties.³

²National Commission on Labour, 1966, p.162
3.1 Meaning

Social security is a concept as well as a system. Basically it is a system of protection of individuals who are in need of such protection in contingencies like retirement, resignation, death, disablement etc. State, as an agent of the society, has an important mandate to provide a protective cover to the poor, the weak, the deprived and the disadvantaged.

The concept of social security is generally understood as meaning protection by the society to its members through a series of measures against the economic and social distress that otherwise is caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury and diseases, unemployment, invalidity, old age and death.

Social Security measures can take different meanings depending on the context in which they are implemented. In developed economies there is contingent poverty caused by temporary interruption or loss of earning power as a result of social causes such as unemployment, life-cycle factors like child bearing or old age, and biological causes such as sickness or disability. Naturally social security measures in such economies take the form of social insurance schemes aiming at evening out the earnings during those periods of income interruption. In developing countries there is massive, widespread and chronic poverty and majority of population are self-employed or work in agricultural or unorganised sectors. In these conditions, the levels of income need to be upgraded and the variability in incomes to be reduced. Therefore in these economies social security is viewed as the prevention, by social means, of very low standards of living.
irrespective of whether these are the results of chronic deprivation or temporary adversity.⁴

One of the fundamental assumptions of economic development process was that vulnerability and deprivation would be removed as a consequence of general development of the economy. Dreze and Sen named it as “the strategy for growth-mediated security”.⁵ However the non-achievement of this hope despite numerous decades of planned economic activity has led to a greater awareness among the people about their low standards of living and their rights for social protection, which forced the governments to consider more direct social means to secure life and livelihood. Dreze and Sen called it “support-led-security strategy”.⁶ It was thus realised that economic growth alone could not be relied upon to deal with the promotion or protection of living standards; instead, public action for social security should take note of the problem.

3.2 Definition

Social security is a worldwide phenomenon that has acquired global attention; yet unfortunately, no uniform definition could be given to the word. It may be due to the variation in the nature of social security from country to country. Singh, an Indian economist has put it that, “social security is as old as society itself; but its forms have been changing according to the needs and levels of social consciousness of people”.⁷ Hence a precise definition can not be assigned to the term social security; it is defined, examined and interpreted differently.

⁶ Dreze J. and Sen R., ibid
Bismarck was the first to use the term social security in eighteen eighties in Germany: but it got an official recognition and was used authoritatively in America in 1935 only. An American Committee of Experts defined social security as “security for employment, in the availability of employment, of reasonable standard of working conditions, of some income while unemployed, of retirement income, of self improvement, of recreation, of medical care and security on ill health or death”.\textsuperscript{8} This definition implies that social security is co-terminus with social progress.

The Beveridge plan defined social security as a “scheme of social insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death”.\textsuperscript{9} Sir William Beveridge, the father of British social security system defined social security as “securing of an income to take the place of earning when they are interrupted by unemployment, sickness or accident; to provide for retirement benefit, to provide against loss of support by the death of another person and to meet exceptional expenditure such as those connected with birth, death and marriage”. He considered social security as an attack on five giants - Want, Disease, Ignorance, Squalor and Idleness. Attack on want means ensuring everybody an income for maintenance and attack on disease means providing medical facilities for a reasonable standard of health. Attack on ignorance means providing better education facilities for all and attack on squalor means security against disorderly growth of cities whereas attack on idleness means ensuring everybody a reasonable opportunity for productive and earning services.

The same view was expressed by Geoffrey Crowther when he explained that “the national minimum involves that citizen in a democracy should be guaranteed of enough food to maintain him in health: assured of a minimum standard of shelter, clothing and fuel; given full and equal opportunities of education; should have leisure and facilities for enjoying it; should be secured against the risk of unemployment, ill health and old age; and above all, the presence of children should not be allowed to be a misery for the parents, deprivation for the children and poverty for all.”

An attempt to systematically define the term was first made by ILO, which defined social security as “the security that society furnishes through appropriate organisations against certain risks to which its members are exposed. These risks are essentially contingencies against which the individuals of small means cannot effectively provide for by his own ability or foresight alone or even in private combination with his fellows, these risks being sickness, maternity, invalidity, old age and death.” This traditional concept of ILO confined social security to the organised sector workers and even that to developed countries.

John and Robert defined social security as “the whole set of compulsory measures instituted to protect an individual and his family against the consequences of an unavoidable interruption or serious diminution of the earned income disposable for the maintenance of a reasonable standard of living.

In the opinion of Charles I Schottland, social security is a program of protection provided by social legislation against sickness, unemployment, death of wage earner, old age or

disability, dependency and accidents - contingencies against which the individual cannot be expected to protect himself.\textsuperscript{13}

All the above definitions express the same viewpoint, the need for prevention of risk, and it does not include private, voluntary social services or industrial or co-operative activities. But Dreze and Sen, who consider social security as “an objective to be pursued through public means rather than narrowly defined set of particular strategies”, broadened the connotation of the term.\textsuperscript{14} Such a broader definition was formulated when the concept of social security was sought to be extended to developing countries also, which are characterised by large informal sectors, incomplete structural transformations and high levels of poverty.

But coincidentally this broader definition was closer in spirit to the original notion of social security. In initial influential documents like the Beveridge plan (1942) social security has, rather axiomatically, been defined as ‘freedom from want’. The Atlantic Charter on social security also considered social security as a means to relieve want and destitution.\textsuperscript{15} It is to this original emphasis of social security that Dreze and Sen have reached by broadening the concept. This approach was followed by many others like Ahmad (1991), Burgess and Stern (1991) and Guhan (1992) who all emphasised the need to tackle the persistently low incomes as an important objective of social security. Accordingly scope of the term was expanded to include not only contingency related measures, but also several programmes aimed at improving

endowments, exchange entitlements, real incomes and social consumption.\textsuperscript{16}

According to Lexicon Universal Encyclopedia, “social security consists of public programmes intended to protect the 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”.

ILO also widened the scope of social security and explains that, “social security is a protection which is furnished by society to its members through a series of public measures against the economic and social distress that otherwise could be caused by the absence of earnings or substantial reduction or stoppage of earnings resulting from sickness, maternity, employment injury, unemployment and underemployment, invalidity, destitution, social disability and backwardness, old age and death and further to provide for health care, including preventive measures”.\textsuperscript{17}

The Finnish Government covers all potential social risks under social security schemes, including national and employment pension, accident and health insurance, unemployment assistance and benefits.\textsuperscript{18}

The National Commission on Labour defined social security as “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


\textsuperscript{17} ILO Committee on Social Security, “Campaign on Social Security and Coverage for All”, ILO Conference, Geneva, 2001

\textsuperscript{18} Sankaran T.S., Subrahmanya RKA and Wadhawan S.K, “Social Security in Developing Countries”, Har Anand Publications, New Delhi, 1994
hazards." 19 Thus prevention of deprivation is the function of social security.

Burgess and Stern have the same idea when they defined the objective of social security as “prevention, by social means, of very low standards of living irrespective of whether these are the results of chronic deprivation or temporary adversity”. 20 Sen and Dreze also say “the basic idea of social security is to use social means to prevent deprivation and vulnerability to deprivation”. 21

Piree Laroque, former president of National Social Security Fund in France correlated social security to social insurance and defined social security “as a basically new development though sometimes assimilated to social insurance. It represents a guarantee by the whole community to all its members of the maintenance of their standard of living or at least of tolerant living conditions, by means of redistribution of income based on national solidarity”. This definition viewed social security as a tool of ensuring income redistribution.

V.B. Singh 22 observed that “social security is a device provided by society against a number of insecurities arising out of natural, social, individual and economic causes”. Natural cause may be death or sickness, social cause refers to slums, individual cause means incapacity and economic cause involves inadequate wages and employment.

Gagliardo Damerico expressed a similar view and defined social security as “a system of guarantee to individuals against loss from major catastrophes arising from social, political, and economic institutions and practices.... Any machinery to eliminate them or to mitigate their evil consequences is definitely an important factor in a comprehensive system of social security.”

ILO in its social security minimum standard convention of 1952 (No.102) underlined nine risks to be considered under social security schemes, namely – medical care, sickness, work injury, old age, maternity, survivorship, invalidity, unemployment, and children maintenance. India has not yet ratified this convention.

In developing countries, the term social security is used in a broader sense and in its widest sense it is a system that improves both entitlements and capabilities—says Sen (1991). Guhan argued that “social security measures should, in fact, be used as an integral element of the direct attack on poverty and as complementary to the promotional and targeted anti-poverty programmes. The traditional contingency approach of social security cannot be transferred to developing countries”.

Ahmad (1991), Guhan (1994), Hirway (1995), Prabhu (1996) Sankaran (1991), Mahendra Dev (2001) ... all viewed social security as a right based concept and hence considered it as the duty of the government and civic society to provide social security for all, particularly the poor. Mahendra Dev defined social security as the public action of government and non-government, which leads to

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promotion of capabilities and prevention of deprivation for the poor and vulnerable sections of the society.\textsuperscript{25}

Getubig defined social security as “any kind of collective measures or activities designed to ensure that members of society meet their basic needs as well as being protected from contingencies to enable them to maintain a standard of living consistent with social norms”. This definition implies that social security contains protective and promotional aspects. Protective implies preventing a decline in living standards in general and in the basic conditions of living, in particular. Promotional implies enhancing the normal living conditions. In other words this approach deals with income maintenance and income support, the latter being catering to the most vulnerable income groups without regular income.

Dreze and Sen and Burgess and Stern also distinguished the protection and promotion aspects of social security which they defined as the use of social means to prevent deprivation (promote living standards) and vulnerability to deprivation (protect against falling living standards).\textsuperscript{26} Protection prevents a decline in living standards as might occur in an economic recession or in a famine; promotion enhances the general living standards and expands the basic capabilities of population, which is a long term challenge.\textsuperscript{27}

In addition to protection and promotion, there is a third aspect to social security namely preventive social security, which aims at risk prevention. Preventive social security schemes try to


prevent poverty and help people under below poverty line to come above the poverty line. Preventive health care and vaccinations against diseases are preventive social security strategies.

The social security programmes in India are essentially promotive (income supporting) as compared to the largely protective (income maintaining) measures in U.K, USA, and like countries. There can be no maintenance of income unless there is already an income and maintenance of income would have no meaning unless it guarantees a minimum standard of living. In India, many are either unemployed or underemployed, and the primary objective of social security should be to ensure that everyone has a minimum income, sufficient for the maintenance of a reasonable standard of living. Such an assurance of income for those who are able to work can be operationalised by providing them with work. Right to work, therefore, is a necessary concomitant of the right to social security. It is upon this realisation that the government and other organisations launched various employment generating schemes.

3.3 Two Concepts of Social Security

Social security as it has been understood and practiced in developed and developing countries largely refers to what may be called collective care arrangements to meet contingencies. Taking both the adversity and deficiency dimensions into account, social security can be of two types – Basic Social Security (BSS) and Contingent Social Security (CSS). Basic social security looks after deficiency i.e., human deprivation and vulnerability while contingent social security takes into account the adversity aspect i.e., contingencies or hazardous situations. In both, there would be a mixture of promotion and protection. But BSS is by and large

promotional in nature whereas CSS is mainly protective. BSS is a foundational requirement because CSS does not make any sense in the absence of BSS. BSS involves four elements of security namely, food security, health security, housing security and education security. CSS is fairly common in developed countries and it attracts the attention of policymakers, advisors and others while in developing countries, CSS is confined to those working in the formal labour market.

### 3.3.1 Basic Social Security and Poverty Reduction

In collective terms, social security arrangements address the problems of deficiency and adversity, and by addressing the problem of deficiency it contributes to poverty reduction. The narrow definition of the term poverty, in terms of minimum consumption expenditure or that emphasising the income dimension may not provide a link between social security and poverty reduction. Poverty should mean the notion of deprivation. The idea of BSS, emphasising food security, health security, educational security, and housing security is an attempt to link the human deprivation with a security-oriented notion of meeting the basic needs. The very many poverty reduction approaches and programmes in several countries could usefully be interpreted as addressing the need for BSS.

The adversity dimension also is related to poverty. It is the poor who are the most vulnerable and hence addressing the problem of adversity contributes to poverty reduction. Adversities like old age, sickness, death etc. often result in enhanced poverty or falling into poverty for those just above the poverty line and by addressing the adversity problem, CSS goes to strengthen the objective of eliminating poverty.

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3.4 Kinds of Social Security

“In modern times the active participation of the state in social security has resulted in two distinct methods of solving the problem”, observed Giri.\(^{30}\) Taking other views also there are three kinds of social security – Social Insurance, Social Assistance and Social Allowance, all essential ingredients of a complete programme of social security.

3.4.1 Social Insurance

Introduction of a compulsory scheme of Industrial Injury Insurance in 1883 in Germany by Chancellor Bismarck was the beginning of Social Insurance.\(^{31}\) Social insurance is a plan of giving, in return for contributions, benefits up to the subsistence level as of right and without the means-test, so that... men stand together with their fellows.\(^{32}\) ILO views social insurance as a scheme which provides benefits for persons of small earnings granted as of right in amounts which combine the contributive efforts of the insured with subsidies from the employer and state.\(^{33}\)

Social insurance is social because it involves the collective efforts of the beneficiaries, their employers and the state, and it is insurance because the beneficiaries would be protected. However Hassan\(^{34}\) remarked, “social insurance schemes often provide that those earning below a specified limit will be exempted from any contributions; but the subsidy from the employer and the state will continue to be paid. Social insurance is the most dominant form of social security in developed countries, and it includes various

\(^{34}\) Hassan N., “The Social Security System of India”, S. Chand & Co. Ltd, New Delhi, 1972, p.4
schemes that provide protection to workers and their families against possible contingencies. They are protective in nature.

### 3.4.2 Social Assistance

The idea of social assistance is the outcome of the celebrated Poor Relief Act, 1601. The State or local government takes steps to ameliorate the distress caused to the people by providing non-contributory benefits towards maintenance of children, mothers, the aged, the disabled etc., and also unemployment assistance.

ILO defined social assistance as that which provides benefits to persons of small means as of right, in amounts sufficient to meet a minimum standard of need as financed from taxation... The fundamental principle of social assistance is the financial subvention or grant or provision of relief by the state to needy persons on the basis of their specified individual needs. Samuel says that social assistance provides for selected social dependency needs, the entire cost of the same being borne by the state and it applies a uniform and statutory means test.

Social assistance programmes are promotional and preventive in nature and in developing countries, social assistance programmes are employed for poverty alleviation. ILO remarked, “social assistance programmes in developing countries are predominantly contingency based, as they limit means-tested support in cash or in kind to specific needy groups.”

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3.4.3 Social Allowance

It renders universal and non-means-tested benefits to families in order to enable them to meet their obligations. It is also known as public service and such programmes are financed by the government directly and are in the form of cash payments or services to every member of the community. They are generally available in the form of national health services providing medical care, old age pension, pension for invalidism, survivors’ pension to widows or orphans, and family allowance to every family having a given number of children.

3.5 Development of social security

In the primitive societies, nature’s vagaries like floods, earthquakes, tornadoes, blizzards, famines etc., forced the people to live in groups, and to face the hazards by mutual assistance. Family members and relatives were a source of social security for the aged and infirm. Land was another important form of economic security. The ancient Greeks found economic securities in the form of amphorae of olive oil, which could be stored for relatively long periods to be used in times of need. In medieval Europe, the feudal system was the basis of economic security. The feudal lord was responsible for the economic survival of the serfs working for him. During this period the idea of formal charity for economic security also appeared for the first time.

3.5.1 Formal Social Security Systems in Industrial Countries

As societies grew in economic and social complexity, Europe witnessed development of organisations to provide economic and social security to people. The earliest of such organisations were guilds or mutual aid societies formed during Middle Ages by those having a common trade or business. Those guilds regulated
production and employment, and provided a range of benefits to their members including financial help in times of poverty, illness and death.

Then emerged Friendly Societies in England which were later called Fraternal Organisations, the forerunners of modern Trade Unions. In 1789, Bazel Town in Switzerland established an unemployment insurance plan, to initiate group action for safeguarding workers’ interest. Friendly societies and fraternal organisations were growing in large numbers following Industrial Revolution, and in the beginning of 19th century, one out of every nine Englishmen belonged to any one of these groups. Fraternal organisations grew dramatically in America also.

Before the establishment of state sponsored social insurance schemes in the late 19th century, the families, church authorities and local communities were providing social welfare. The state assumed a residual responsibility for the relief of orphans, widows and the disabled. But gradually it became evident that it was beyond the capacity of such local institutions to meet all needs of all their members and the state should protect citizens when they are unable to earn due to no fault of them.

With the state assuming responsibility for economic security of citizens, the English began to formulate a series of Poor Laws, the first one in 1388.39 In 1576, legislation required parishes to take responsibility of their poor and paupers, not able to work. The Elizabethan Poor Law of 1601 was the first attempt to codify the state’s responsibility for the welfare of its citizens. A New Poor Law was enacted in 1834 after effecting a series of changes and reforms.

In line with the English Poor Law, the USA introduced poor relief schemes in the 17th and 18th centuries. Civil War Pensions,

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39 UNDP, Human Development Report, 2005
its first social security programme, was launched shortly after the start of war in 1862 to provide benefits to war-widows, orphans and disabled veterans.

A comprehensive social security plan based on social insurance was introduced in Germany at the urge of Chancellor Otto Van Bismarck in the 1880’s. They adopted a compulsory health insurance programme in 1883, an accident insurance programme in 1884, an old age insurance programme in 1889 followed by an unemployment insurance programme in 1925.

Most of the West European countries had adopted different social security measures between 1897 and 1930. France introduced the first unemployment insurance scheme in 1906. In 1908 the Old Age Pension Act was introduced in Great Britain for people above 70 years of age, followed by a compulsory health insurance scheme and unemployment insurance scheme in 1911, and a contributory pension plan for old people, widows and orphans, and an unemployment assistance scheme in 1934. New Zealand introduced non-contributory pensions in 1898. In 1908 Denmark, Ireland, Austria, Czechoslovakia and Australia had social security legislations of some sort.\footnote{UNDP, Human Development Report, 2005}

The term ‘social security’ was first used in the welfare literature by America in 1935, when Franklin D Roosevelt, passed the ‘Social Security Act’. Thereafter the term appeared in the Act passed in New Zealand in 1938 and in the Atlantic Charter in 1941, where after ILO adopted the term quickly. After World War II social security schemes were introduced in many countries of Asia, Africa and the Caribbean.
3.5.2 Social Security in Developing Countries

Most of developed nations had comprehensive social security systems in their countries by the beginning of the 20th century. But the colonies under their rule continued with no social security arrangements. It was only in between and after the World Wars, that most of the South American, African and Asian countries began to take some steps towards social security.

Social security in developing countries faces three challenges; first, to reduce absolute poverty and provide basic services like adequate nutrition, basic health care, primary education, clean water, decent sanitation and shelter for the people; second, to meet contingency needs relating to sickness, accident, death of bread winner, disability, old age and for assistance to orphans and widows; and the third, to assist the victims of natural disasters and social calamities that destroy property and sources of livelihood.

The modern social security system was introduced by the colonial authorities in most of Asia, Africa and the Caribbean. Welfare measures were first introduced for civil servants and employees of large enterprises to provide healthcare, maternity leave, disability allowance and pensions. Latin American countries like Argentina, Brazil, Chile, Cuba and Uruguay, that had been independent for a longer period, began to adopt elements of European social security system during the inter war period. Columbia, Costa Rico, Mexico, Paraguay, Peru and Venezuela followed suit soon after the 2nd World War. Other developing countries adopted the social insurance method in two decades after the war.

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3.6 Development and Growth of Social Security

There were a number of milestones in the development of a formal social security system. As the first step, a Declaration of the Rights of Man was proclaimed at the time of French Revolution. It stated inter alia that public assistance was a sacred duty; society owed subsistence to unfortunate citizens by providing them work or by ensuring the means of existence to those unable to work.

After the 1st World War, ILO was established in 1919 under the Treaty of Versailles. In 1944 ILO adopted the Philadelphia Declaration to recognise its obligations to further among nations of the world programmes of social security. The 2nd World War witnessed rapid expansion of social security activities. The Beveridge Report of 1942 had been implemented to attack five giants – want, disease, ignorance, squalor, and idleness, and it was the foundation of British social security legislation.

After the 2nd World War, UN General Assembly adopted the Universal Declaration of Human Rights which stated that every member of the society has a right to social security. This right was subsequently coined in the constitutions of many countries and by the late 1960s, social security measures, in some forms, were in operation in more than 120 countries.43 That number increased to 139 in 198144 and now almost every developed and developing country has recognised and accepted the need and importance of social security measures, generally in favour of social insurance.

3.7 Social Security and World Documents

The idea of human rights and social security can be found in different cultures of the world as enshrined in their constitutions.

Yet, adoption of the Universal Declaration of Human Rights by the UN General Assembly in 1948 was the landmark achievement in respect of social security in the world history. The Declaration proclaimed, “Respect of human rights is the foundation of freedom, justice and peace in the world”. The vision outlined in the Declaration as well as the Charter of the United Nations is that whatever we do for looking after human rights must have the basic objective of promoting and protecting basic human rights.

Articles one to twenty one of Universal Declaration cover the “first generation rights”, namely civil and political rights. Articles 22 to 28 are concerned with second generation rights - the social and economic rights. Article 22 says that everyone, as a member of the society, has right to social security. Article 23 declares that every one has the right to work, to have free choice of employment, to have just and favourable living conditions and to protection against unemployment. Article 25 states that everyone has right to a standard of living adequate for the health and well being of himself and of his family, including food, clothing, housing and medical care and necessary social services and right to security in the event of unemployment, sickness, disability, widowhood, old age, and also lack of livelihood in circumstances beyond his control, and motherhood and childhood deserve special care and assistance.

Social security has been the core element of ILO’s mandate, since its creation in 1919. Through its constitution and Declaration of Philadelphia of 1944, ILO enshrined its recognition of the need to provide an adequate level of social protection. ILO’s Income Security recommendations of 1944 provides that “social insurance would afford protection, in contingencies to which they are exposed”.

World Development Report of 1997 stated that social security was an essential ingredient in the protection, development and full
utilisation of human resources, and therefore should be treated as an investment for human development. The Convention of European Union stated that contracting parties will undertake to establish a system to maintain social security system at a satisfactory level and endeavour to raise progressively the system of social security to a higher level.  

In the midst of World War II, the Inter-Allied Council in London agreed on the aim of co-operation for economic and social security. The Atlantic Charter signed by Roosevelt and Churchill in 1942 aimed to secure social security for all which would afford assurance that men may live in freedom from want and fear.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966) mandates the right of everyone to social security and health through its Articles 9 and 12. Article 9 of ICESCR recognises the right of everyone to social security including social insurance. Article 12 recognises the right of ... the highest attainable standard of physical and mental health and the steps to be taken to achieve this right including reduction of infant mortality, environmental and industrial hygiene, control and prevention of epidemics, endemic, occupational and other diseases, and assuring of medical services. ICESCR was ratified by India on 10th April 1979. International Labour Conference 2001 also declared that social security is a basic human right and says, “of highest priority are policies and initiatives which can bring social security to those not covered by existing systems”.

Social security has been recognised as a right to be protected by the constitution itself, as in the case of German, Brazilian and

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Indian Constitutions. Still a large majority of the global population (about 80%), live in conditions of social insecurity, of whom 20 per cent live in abject poverty, the cruelest form of social insecurity.

In India, matters relating to social security are listed in the Directive Principles of State Policy and in the Concurrent List.

3.8 Social Security and ILO

ILO was founded in 1919 primarily for promoting social justice and improving the living and working conditions of workers throughout the world. The preamble to its constitution promised “protection of workers against sickness, disease and injury arising out of his employment, protection of children, young person and women, and provision for old age and injury”. In order to achieve the above, the ILO (1) formulated international standards by way of recommendations regarding the definition of social security, (2) collected and spread information about social security schemes in various countries, and (3) provided technical guidance and assistance to formulate social security schemes.

The researches, publications, studies and reports of ILO are always underlying the importance of social security and the need for extension of social security coverage for all. To offer technical assistance and advice on formulation and administration of social security schemes, the International Social Security Association was established in 1927. In the Declaration of Philadelphia (1944), the International Labour Conference recognised ILO’s obligation as regards “the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care.”

The ILO convention on social security (minimum standard) in 1952 has divided social security into nine components – namely medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidism benefit and survivors benefit. The International Labour Conference 2001 said, “of highest priority are policies and initiatives which can bring social security to those who are not covered by existing systems”.

3.9 Social Security Measures in India

India, being a welfare state, has taken, upon itself the responsibility of extending various benefits of social security and assistance to its citizens. In India, the term social security is generally used in its broadest sense. It consists of all types of measures - preventive, promotional, and protective. The term encompasses social insurance, social assistance, social protection, social safety net and other measures.

Social security measures have a twofold significance in India; firstly they constitute an important step towards our goal of welfare state by improving living and working conditions and providing protection against the uncertainties of the future and secondly they are important to our industrialisation plans as they enable workers to be more efficient and cause for least industrial disputes.

The success of social security measures in Britain during and after World War II aroused considerable interest in the newly independent India. ILO also pressed the government to launch such schemes. Employers also finally began to appreciate the gains of social security, both in efficiency and industrial peace.

Social security in India is under central government’s direction and control. But, the formal social security system in
India covers only a very small segment of total workforce i.e., the organised workforce only. Out of the total 406 million Indian workers, the organised sector workforce, who has a direct regular employer-employee relationship, constitutes only 43 million.\textsuperscript{49}

\subsection*{3.9.1 Social Security and Constitution of India}

The Indian Constitution transparently contains provisions relating to various aspects of people’s welfare. Directive Principles of the State contains the specific provisions relating to welfare of the working class.

Two important provisions, relating to working class, in the Indian Constitution are Articles 23 and 24, which provide protection against exploitation of workers in factories and prohibition of child Labour.

Articles 38(2), 39(e) and (f), 41, 42, 43 and 47 in the Directive Principles of State Policy have direct or indirect bearing on social security measures and also on promoting welfarism. Article 38(2) strives to minimise or eliminate inequalities in income, facilities and in opportunities. Article 39 (e) prohibits abuse of health and strength of workers and the tender age of children. Article 39 (f) provides that children are given facilities to develop in a healthy manner and in conditions of freedom and dignity. Article 41 provides for securing the right to work, to education and to public assistance in cases of underserved wants. Article 42 strives to secure just and human conditions of work and for the maternity relief. Article 43 provides to ensure living wage, a decent standard of life, full employment and social and cultural opportunities to all. Article 47 proposes to raise the level of nutrition, standard of living and public health.

\textsuperscript{49} Anirudh Rai, “New Approaches to Extending Social Security Coverage”, International Social Security Association, Seoul, Korea, 2005
Moreover, entry 23 in List III of the 7th Schedule (Concurrent List) of Indian Constitution deals with social security and insurance, employment, and unemployment. Entry 24 in this list deals with welfare of labour.

It is based on these provisions in the Indian Constitution that social security legislations are being enacted by the central as well as state governments. After Independence, almost all states and union territories have implemented their own rules for providing financial assistance to the disabled, destitutes, widows, and aged persons. U.P. was the first state in India to introduce a social security programme in 1957 followed by Kerala in 1960, Tamil Nadu in 1962, Karnataka in 1965, Rajasthan in 1967, Punjab in 1968, M.P. in 1970 and Maharashtra in 1980.50

### 3.9.2 History of Social Security Measures in India

The Indian social security system has evolved in obedience to the impact of western influence. But some allusions are found in the Arthashastra of Kautilya, Manusmrithi, and Shukranithi which laid down certain rules for the protection of the state employees in the event of sickness, child birth, old age, death of the chief bread winner, and widowhood. India, in the past, had a joint family system and caste system that took care of the social security needs of all the members of a family or caste, provided it had access to material assets like land. The family members and relatives had always discharged a sense of shared responsibility towards one another, especially the aged and those in poor health. Similarly members of a particular caste were offered benefits like medical aid to the invalid, financial help to widows and orphans and educational assistance to students in the form of scholarship or free-ship. Additional security was provided by community

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panchayats, guilds, religious trusts, orphanages, widows’ homes and persons offering alms and charity.

However these systems lost their stronghold with the development of liberalism and individualism and with increase in migration, urbanisation, industrialisation and demographic changes.

3.9.2.1 Social Security in the Pre Independence Period

But for the Factory Act 1881 and the Fatal Accident Act 1885, India did not take the matter of social security seriously before 1920, and hence the period prior to 1920 is conspicuous by a complete absence of any conscious social security movement in India. But the continuous and rapid increase in industrial working population, establishment of ILO and All India Trade Union Congress at the national level to consolidate representation of trade unions at the ILO and increased pace of industrialisation and industrial unrest after World War I caused to have a public opinion in favour of social security measures for workers.

Following the instruction of ILO to ratify its convention on employment injury in 1921, India amended the Factories Act in 1922 and the first legislation on social security was enacted in 1923 as Workmen’s Compensation Act, 1923, which conferred legal rights for compensation on workmen or their dependents.

The Royal Commission on Labour made a study on problems relating to social security benefits of labour in 1931 and made certain recommendations. Accordingly the Employers Liability Act was passed in India in 1938 on the pattern of Employers Liability Act, 1880 of England.51

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Following the ILO’s Child Birth Convention in 1919, maternity was the next contingency to be covered in India but central government expressed its inability to ratify the convention. But individual states and provinces took initiative and passed their own maternity laws, the first by Maharashtra in 1929 followed by M.P in 1930, Madras in 1934, Delhi in 1937, Mysore in 1937, UP in 1938, Bengal in 1939, Assam in 1944 and Bihar in 1947. Central Provinces Maternity Benefit Act, 1930 and Mines Maternity Benefit Act 1941 also were enacted.

3.9.2.2 Social Security in Post Independence Period

Significant progress could be achieved in the realm of social security after independence because, after 1942, certain factors emerged to initiate growth of social security movement in India.

1. Appointment of Dr. Ambedkar as labour member of Viceroy.
3. The Beveridge Report in 1942 in U.K.
4. The Wagner Murray Dingell Bill in 1943 in the U.S.A
5. The Marsh Plan of Canada in 1943.
6. Resolutions and recommendations of ILO in the face of growing dissatisfaction among factory workers.
7. Introduction of some sickness insurance schemes by certain private employers
8. Resolutions of Labour Ministers’ Conferences 1941 and 1942

Influenced by these, the Government appointed Prof. Adarkar in 1943 to draw up a health insurance plan for industrial workers. Moreover a Labour Investigation Committee was appointed under D.V. Rege and a Health Survey & Development Committee under Sir Joseph Bhore in the same year - the former to investigate the
question of wages and earnings, employment, housing and social conditions and the latter to assess the present position of health conditions and health organisations in British India and to make recommendations for future development.

The interim government formed in India in 1946, formulated a five year programme for the welfare and social security measures of industrial workers. It provided for the revision of Workmen’s Compensation Act, 1923, organising a health insurance scheme for factory workers, a central law for maternity benefit, and for extension of the right to ‘leave with allowance’ to other classes of workers during their sickness.52

Adarkar submitted his report, the first comprehensive social insurance scheme, which was modified by two social security experts from ILO, and it ended up in the enactment of Employees State Insurance (ESI) Act in April 1948, amended later in 1951, 1966 and in 1975. The scheme covers short term biological contingencies and provides benefits on sickness, maternity, disablement, medical and funeral, and also dependents’ benefits.

ESI scheme lacked provision for old age. Provident Fund (PF) Act, 1925 was restricted to government undertakings alone, and there was no law for private sector. “The Coal Mines Provident Fund and Bonus Schemes Act” was passed in 1948, following the recommendations of Royal Commission on Labour and Cawnpore Labour Enquiry Committee for establishing compulsory provident funds for coal miners. The experience of the above scheme and the persistent demand from employees in other industries led to the “Employees’ Provident Fund Act 1952”, which was amended in 1971 as “Employees Provident Fund and Family pension Act 1952”, and in 1976 as ‘Employees Provident Fund and Miscellaneous

Provisions Act 1952”. The Act provides for retirement benefits, advance benefits, termination of service benefits, employees family pension and employees deposit linked insurance.

In the meantime or before that, Industrial Disputes Act had been passed in 1947 to provide for workers’ unemployment due to lay off and then Plantations Labour Act in 1951 to cover every tea, coffee, rubber, cinchona and cardamom plantation measuring 10117 or more hectares and employing at least 30 workers. In 1955, Assam legislature enacted Assam Tea Plantations Provident Fund Act and in 1966 the Parliament passed Seamen’s Provident Fund Act to provide benefits to plantation workers and seamen.

There were various maternity benefit schemes under Maternity Acts of different states or provinces, Mines Maternity Benefit Act 1941, ESI Act 1948, Plantations Labour Act 1951 etc. But they lacked uniformity and hence the central government enacted a new Maternity Benefit Act in 1961 to consolidate various schemes into one single scheme. This Act applies to every establishment except where the ESI Act 1948 is applicable, and it provides medical care and security of wages and employment to women workers during period of confinement.

Workmen’s Compensation Act 1923 was revised several times after independence to widen its scope and coverage. However workers covered under the ESI Act 1948, are not entitled to similar benefits under Workmen’s Compensation Act 1923.

Kerala Government passed legislation in 1970 for payment of gratuity to workers in factories, plantations, shops and establishments. West Bengal introduced a similar scheme in 1971 followed by some other states. Naturally a central law on the

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subject became necessary to ensure a uniform pattern of payment of gratuity throughout the country. Payment of Gratuity Act was passed in 1972 to provide gratuity at the time of superannuation, retirement, resignation, death or if they leave job due to accident, disease or disablement.

With growing demand for equity in the provision of social security to all sectors, attention was gradually directed to the informal sector also. Diverse schemes have been implemented by central and state governments beginning with Minimum Wages Act. Existing social security schemes for the unorganised sector workforce include social assistance programmes funded by central government, social insurance schemes, welfare funds and public initiatives.

### 3.9.3 Specific Social Security Measures in India

Social security measures in India are either contributory or non contributory. They are of protective or promotional nature (Dreze & Sen) or of preventive nature (Madhava Rao – 2006). They include social assistance, social insurance, public initiatives and public services.

Guhan (1994) classified social security measures in India into three categories - the outer circle, middle circle and the inner circle which were later renamed by Seetha and Sandhya (2001) as Level I, Level II and Level III Measures. Level I measures are general in nature, necessary for poverty alleviation yet not confined to poor alone. They are in the nature of Basic Social Security. Level II

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measures are more targeted at the poor and they include poverty alleviation programmes like asset distribution, employment generation and food security. They too are part of Basic Social Security. In that sense level I and level II schemes are promotional social security arrangements. Level III schemes include specific measures for providing relief or protection in adversities. They are similar to Contingent Social Security (Kannan 2005) and comprise protective social security schemes which include statutory social security measures for the organised sector and social assistance schemes, social insurance schemes and statutory social security measures for the unorganised sector.

Planning Commission (2001) classified social security schemes into those for the organised sector workers and those for unorganised sector workers. The former include contributory schemes and non contributory schemes, and they are mainly statutory measures, meant for those employed in government sector, public sector and organised private sector. The benefits available under these schemes include medical attendance and treatment, sickness benefit, maternity benefit, disability benefit, old age pension & gratuity, provident fund, family/children allowance, insurance benefits, unemployment allowance, family pension etc. under various Acts. The latter programmes comprise of (1) centrally funded social assistance programmes like National Social Assistance Programme with its components, self employment programmes, National Employment Guarantee Act etc., (2) social insurance schemes of governments implemented through LIC and GIC of India (3) social assistance through welfare funds and (4) public initiatives. Centrally funded social assistance programmes protect the unemployed, underemployed and destitute whereas the others look after the social security aspects of the informal sector workers. The benefits under these programmes include old age pension, unemployment assistance, maternity benefit, family
benefit, employment generation, death and disability benefits, personal accident benefits, group insurance benefits, funds for medical care, housing, education, water supply and other benefits to members of various welfare funds.

3.9.3.1 Centrally Funded Social Assistance Programmes include (a) promotional social security measures meant for all to ensure minimum level of education, health and nutrition, (b) promotional but targeted programmes for poverty alleviation and employment generation and (c) other measures.

3.9.3.1.1 Social security measures for all or universal social security measures are promotional in nature and they aim at ensuring a minimum level of education, health and nutrition.

3.9.3.1.2 Promotional but targeted programmes include various employment generating schemes and poverty alleviation programmes like IRDP, PMRY etc. as explained in chapter IV.

3.9.3.1.3 Other measures include the following.

National Social Assistance Programme 1995 (NSAP) which initially had three components, namely National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS), and National Maternity Benefit Scheme (NMBS); but later two other components more were added namely National Widow Pension Scheme (NWPS) and National Handicapped Monthly Aid Scheme (NHMAS). NMBS has three sub-components namely Integrated Child Development Scheme, Balika Samridhi Yojana and Early Child Care Scheme.

National Rural Employment Guarantee Act (NREGA) 2005. In line with the plan, ‘Jafes y de Hogar’ introduced by Argentina in 2002, government of India enacted the above Act which came into force in 200 districts on 2nd February 2006, as the first tangible
commitment to the poor so that they can earn a living wage without loss of dignity.\textsuperscript{58} Under the Act government has a statutory obligation to provide at least 100 days of employment to every household or, if unable to do so, to provide an unemployment allowance. In 2007-08 the programme was extended to 330 districts and from 2008-09 it was extended to the entire country. The performance data for 2006-07 shows that 2.16 crore households sought employment, of which 2.10 crore households (97\%) were provided work of 90 crore person-days on 8.41 lakh works taken up. The fund utilisation was Rs. 8,823 crores i.e., 73 per cent of Rs. 12,073 crores available. \textsuperscript{59}

Schemes for handloom weavers and artisans include thrift fund scheme for handloom weavers and artisans, health package scheme for weavers, work shed cum housing scheme for weavers, health package and work shed cum housing scheme for artisans and pension to master crafts persons at old age.

Varishtha Pension Bima Yojana (VPBY) was proposed in the 2003-04 budget to provide a lump sum and monthly pension to any citizen of above 55 years of age, as pegged at Rs.250 to Rs.2,000 per month.

National Social Security Scheme 2004, a pilot project, aimed to cover 25 lakh unorganised sector workers in 50 selected districts who contribute Rs.50 or Rs.100 per month depending on their age. The benefits include monthly pension on retirement or disability, life Insurance, health insurance and hospitalisation care. The scheme was not a success and virtually closed, as reported by NCEUS, 2006.

Krishi Shiksha Aur Samajik Suraksha Yojana 2001 aimed to provide one million agricultural workers in 50 districts over a span of five years with a monthly pension ranging from Rs. 100 to Rs. 1,900 depending on the age of entry into the scheme, on attaining 60 years of age.

Indira Gandhi National Old Age Pension Scheme 2007 aims to benefit 1.57 crore persons of above 65 years of age living below poverty line, by giving them a monthly pension of Rs.400 per month to which state government also has to contribute as the centre gives Rs. 200 for each beneficiary.

A recent scheme formulated for agricultural labour by the Government of India provides that if 20 or more persons come together to form a group, and pay contributions, matching contributions would be paid by the government and benefits like pensions, health care etc. also would be available from the scheme.

Savings cum Relief Scheme for Fishermen provides that the fishermen should make contribution of a fixed amount every day during fishing season and it would be supplemented by additional contributions from central and state governments.

Economic and social discrimination against SC/STs prevail in respect of access to sources of income and social services. Hence a set of targeted programmes have been developed to meet their challenges, like measures to provide, minimum wage employment through various employment schemes, measures to provide access to public services like housing, health care, education etc. and protection against discrimination in access to assets, employment and social services through reservation policies and preferential treatment.

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National Minimum Social Security Scheme was proposed by National Commission for Enterprises in the Unorganised Sector (NCEUS) to cover all unorganised workers whose monthly income is less than Rs. 6500/- (originally Rs. 5000/-), whose number was estimated at around 27 to 30 crores in 2005-06. The benefits include health insurance and maternity benefits, life insurance, and provident fund for APL workers and old age pension at Rs. 200 per month for BPL workers of above 60 years. The scheme is contributory as workers, employers and governments have to pay Re.1 each per day. However the Union Labour Minister introduced a watered down version of the original proposal in Rajya Sabha in which there was only one bill for social security, instead of two separate bills proposed, one for agricultural workers and the other for unorganised non-agricultural workers.\(^{61}\) Rajya Sabha sent the bill to the Parliamentary Standing Committee for detailed study and the committee submitted a substitute bill which intends to ensure social security to 36 crore workers in the unorganised sector, whose monthly income is less than Rs.7,000 and total cost of the same is expected at Rs. 1.7 lakh crores.\(^{62}\)

### 3.9.3.2 Social Insurance Schemes

Schemes launched by central and state governments for the weaker sections and implemented through LIC/GiC include

- Social security group insurance scheme for workers of 24 approved occupation groups, in the age group of 18 to 60 years
- Two schemes for handloom weavers
- Group insurance scheme for artisans
- Insurance scheme for power loom weavers
- Group insurance scheme for beedi workers

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• Personal accident insurance scheme for poor families providing benefits to survivors of a person died of any accident and not covered by any other schemes.

• Insurance for landless agricultural labourers providing a cover of Rs. 2,000 at an annual premium of Rs. 10 per worker, which is paid by the centre.

• Insurance for IRDP beneficiaries of Rs. 3,000

• Group accident insurance scheme by GIC for giving accident benefits to fishermen at Rs. 15,000 on death or total disablement or Rs. 7,500 for partial disablement.

• Janashree Bima Yojana to provide insurance cover to persons of 18 to 60 years of age and belonging to below or marginally above the poverty line, but in groups of 25 members or more, at a premium of Rs. 200.

• Krishi Shramik Samajik Suraksha Yojana launched in 2001 through LIC to provide Rs. 20,000 or Rs. 25,000 respectively for natural death or permanent disability, or Rs. 50,000 for accidental death and permanent disability, before the age of 60.

• Universal Health Insurance Scheme (UHIS), to provide social protection in all villages in India to the entire BPL family at a cost of Rs 1½ or Rs. 2 per day. The annual premium is Rs. 165 per person or Rs. 248 for a family of five members or Rs. 330 for a family of seven persons and the benefits include medical treatment, accident insurance and hospitalisation allowance.\(^6^3\)

• Aam Admi Bima Yojana (AABY) to extend death and disability insurance cover through the LIC to rural landless households by insuring one earning member of the family at a premium of Rs. 200 per year which will be borne by the central and state governments equally.

• Rashtriya Swasthya Bima Yojana (RSBY) for protecting informal sector workers of below poverty line and their families, and

\(^6^3\) National Insurance co., Advertisement, Malayala Manorama Daily, 2nd October – 2007
it would be implemented in two districts, Alappuzha and Kollam, in Kerala in 2008, the benefits being medical treatment at an annual premium of Rs. 30 per employee, which is borne by the centre and state in the ratio of 75:25.\textsuperscript{64}

- Kisan Sree Insurance Scheme of Kerala to cover five lakh farmers across the state, fully dependent on agriculture, but with landholdings of less than two hectares each at an annual premium of Rs. 19 which is fully borne by the government.\textsuperscript{65}

- Yeshawini Health Insurance Scheme (YHIS) 2002 in Karnataka covers all agricultural labourers and small and marginal farmers. In 2005-06 over 14 lakh workers in that state had been covered under the scheme.\textsuperscript{66}

\textbf{3.9.3.3 Social Assistance through Welfare Funds}

They represent another model for providing social protection to unorganised workers. The government of India has set up and operates five welfare funds through the Ministry of Labour namely-

- The Beedi Workers’ Welfare Fund 1976,
- The Mica Mines Labour Welfare Fund 1946,
- The Limestone and Dolomite Mines Labour Welfare Fund 1972,
- The Iron ore, Manganese ore and Chrome ore Mines Labour Welfare Fund 1976,

They are funded from a cess collected from employers and producers of related products and render benefits like medical care, education assistance, housing, water supply and recreational facilities to members. There are group insurance schemes and financial assistance for house construction. A scheme to construct 10,000 houses for women beedi workers was started in 2002 in

\textsuperscript{64} Malayala Manorama Daily, News, 28-10-2007, p.11


\textsuperscript{66} ILO, “India: Analysis of Yeshawini Health Micro Insurance Scheme”, ILO Sub Regional Office for South Asia, New Delhi, 2007
Maharashtra. There is another integrated housing scheme for beedi and mine workers with subsidy.

Government has enacted the Building and Other Construction Workers’ Act in 1996 for starting welfare funds at the state level. Kerala, Tamil Nadu and Delhi have already started the funds. The Ministry of Labour has initiated steps to constitute a welfare fund for fish processing industry workers, the extremely vulnerable and exploited category. A National Welfare Fund has been created for the development of fisherman-villages which provides assistance for housing, sanitation, drinking water etc. in those villages.

A number of welfare funds for various categories of workers have been set up at the state level in Kerala, Tamil Nadu, Assam Gujarat, Maharashtra, Karnataka, Punjab, Andhra Pradesh and Uttar Pradesh. In addition, Karnataka has Social Security Authority of Karnataka, to create welfare boards to cater to the needs of 66 identified occupational groups. Similarly, Tamil Nadu Social Security and Welfare Scheme of 2001 provides life insurance coverage, funeral expenses, educational assistance to children, marriage assistance and maternity benefits to its members.

3.9.3.4 Public Initiatives

In addition to governmental efforts, several public institutions and agencies also are providing certain social security benefits to selected groups like SEWA and MWB in Maharashtra. SEWA (Self Employed Women’s Association) was started in 1975, to provide maternal protection, health care and child care. Later its integrated insurance scheme offered benefits like health care, maternity benefits and life cover to members or spouses. MWB (Mathadi

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68 GOI, Planning Commission, 2001
Workers Boards) cater to 50,000 employers and 150,000 workers registered under thirty boards, engaged in loading, unloading, carrying, shifting, weighing, tapping, banding and stacking goods. The boards provide insurance cover against accident, injury and death in addition to setting up hospitals and dispensaries. Other organisations providing social security to specific groups include Co-operative Development Foundation, SAMAKHYA in Andhra Pradesh, Trivandrum District Fishermen Federation (TDFF) Kerala, Association of Sarwa Sewa Farms (ASSF), Society for Promotion of Area Resources Centre (SPARC), Voluntary Health Service (VHS) in Tamil Nadu, and Association of Health Welfare in Nilgiries (ASHWINI).

3.10 Classification of Social Security Measures in India

Madhava Rao classified social security measures in India as preventive, promotional and protective schemes. K.P. Kannan, based on the generic definition of the term social security as given by de Swan (1988) distinguished between Basic Social Security and Contingent Social Security (BSS and CSS). The former is concerned with deficiency while CSS deals with adversity. Taking these diverse views into consideration, we first classify all social security schemes in India as BSS and CSS. The former are further divided into Level I and Level II measures i.e. promotional and preventive social security for all and for targeted groups. The latter i.e. CSS schemes are Level III programmes and are further divided into protective statutory social security measures for the organised sector workers and protective social assistance and social insurance programmes for the unorganised sector. This can be presented as follows.

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3.10.1 Basic Social Security at Level I schemes are mainly promotional but including protective and preventive also for all the people to ensure minimum level of education, health and nutrition.

3.10.1.1 BSS at Level I for Education schemes include - Free education upto secondary level, District Primary Education Programme, National Primary Education Programme, Mahila Samikhyya Programme-1989, Education Guarantee Scheme 2000, National Programme of Nutritional Support to Primary Education 1988, Sarva Siksha Abhiyan, Integrated Education for Disabled Children, Sakshara for eradication of illiteracy and Mid Day Meals (extended to upper primary classes also) Programme.

3.10.1.2 BSS at Level I for Health schemes include - Primary health care, prevention and control of diseases, reproductive and child health, Janani Suraksha Yojana and National Rural Health Mission-2005.

3.10.1.3 BSS at Level I for Nutrition and Food schemes include- Development of agricultural sector, Public Distribution System, Balwadi Nutrition Programme, Balika Samridhi Yojana, Mahila Samridhi Yojana, Integrated Child Development Scheme, Antyodaya and other nutrition programmes.

3.10.2 Basic Social Security at Level II are promotional schemes targeted for the poor, providing assets & employment and include- Distribution of Land, Housing Schemes, Food for Work, Targeted Public Distributions, Jawahar Rozgar Yojana with Indhira Awas Yojana and Million Wells Scheme, Employment Assurance Scheme, Training of Rural Youth for self Employment, Integrated Rural Development Programme, Development of Women and Children in Rural Areas, Swarna Jayanthi Shahari Rozgar Yojana, Swarna Jayanthi Gram Swarojgar Yojana, Rashtriya Mahila Kosh, Indira Mahila Yojana. Rural Landless Labourers Employment Guarantee

3.10.3 Contingent Social Security at Level III schemes are:


3.10.3.2 CSS at Level III Protective Social Assistance and Insurance schemes are for the unorganised sector labour and include - Minimum Wages Act, Annapoorna for the old, Insurance for landless agricultural labourers, Schemes for handloom weavers and artisans, Savings cum relief scheme for fishermen, Insurance for power loom weavers, Group insurance scheme for various occupational groups, National Old Age Pension Scheme, Personal Accident Insurance scheme, Maternity Allowance, Welfare Funds at the Central and State Levels, National Social Assistance Programme 1995, with (1) National Old Age Pension Scheme (2) National Family Benefit Scheme (3) National Maternity Benefit Scheme (4) National Widow Pension Scheme and (5) National Handicapped Monthly Aid Scheme, Krishi Shiksha Aur Samajik Suraksha Yojana–2001, Varishtha Pension Bima Yojana–2004, National Social Security Scheme–2004, Indhira Gandhi National Old Age Pension Scheme-
2007, New Scheme for Agricultural Labour in Group-2007, National Minimum Social Security Scheme 2007, Janasree Bima Yojana, Universal Health Insurance Scheme, Aam Admi Bima Yojana, Rashtriya Swasthya Bima Yojana, Insurance cover of Rs. 1 lakh for girl child to be paid her turning 18\textsuperscript{71} and conditional cash transfer to the family of a girl child.

3.11 Social Security in Kerala

Kerala has been acknowledged as a state that has pioneered major efforts in social security sector so that various segments of the population are effectively covered through a series of well planned social welfare measures. Assuming the broader definition of the term social security, which includes protective as well as promotional programmes, there exist a very large number of schemes, programmes and projects for social security in Kerala. A head count done by Kannan and Shaji found out 141 social security schemes in Kerala as in 1993, administered by different departments, boards and agencies. However, according to the State Planning Board Publication on Social Welfare Programmes in Kerala in 2003 the number has almost doubled to reach 281.

The social security schemes in Kerala can be classified as schemes for all population, the youth, the poor, the most vulnerable among the poor, the formal sector workers, the informal sector workers and for the women. These schemes are being implemented by the state as well as NGOs.

Most of the schemes implemented so far were curative in nature disregarding the preventive and developmental aspects of social security. The Fifth Five Year Plan proposed a new approach aimed at integration of welfare, preventive and developmental social

security services. This approach got strengthened in subsequent plans and, at present, social security schemes give greater thrust on welfare than on relief, with three dimensional care namely institutional care, pensions and welfare assistance.

3.11.1 Institutional Care

In the social security front, institutional care has been provided by government and voluntary agencies. Broadly they deal with special groups like orphan and disabled children, aged and infirm, cured mental patients, leprosy patients and the like.

Institutions run by the Social Welfare Department include Mahilamandirs, After Care Homes, Rescue Homes, Children’s Homes, Old Age Homes, Day Care Centres, Homes for Physically Handicapped, Asha Bhavan, Care Home for the Disabled, Short Stay Homes, Homes for Mentally Deficient Children, Pratheeksha Bhavan, etc. There are 50 welfare institutions in Kerala in 2008 run by the Social Welfare Department. The NGOs run a network of 622 orphanages and fondling homes, three beggar homes, and 82 old age homes, altogether 707 institutions with 64,073 inmates.

3.11.2 Pension Schemes

A number of pension schemes are being implemented by the government as a safety net for vulnerable sections of the society. There are more than 42 schemes in Kerala, of which 20 are financed by the state alone. They are implemented either directly by the state or through different welfare fund boards. The first scheme was the Kerala Destitute (Old Age) Pension Scheme of 1960 to which the Widowed/Destitute Pension Scheme was added in 1964. The Board of Revenue administers the scheme, which

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benefited 325,911 persons under widow/destitute pension scheme and 156,871 persons under National Old Age Pension scheme during 2008. Another major scheme is the Kerala Agricultural Workers Pension Scheme started in 1960 by the State Labour Commissioner. Special Pension to Physically Handicapped and Mentally Retarded was introduced in 1982 under the Board of Revenue which benefited 193,823 persons in 2008.


3.11.3 Welfare Assistance

In addition to centrally funded social assistance schemes, there are a number of schemes formulated and implemented by the state government and voluntary organisations aimed at the welfare of various sections of the society.

3.11.3.1 Social Security through Statutory Welfare Boards

As an innovative form of social security for workers in the informal sector, Kerala government took initiative with active support from trade unions and associations of self-employed to set up welfare funds through contributions from workers, employers and the government. Welfare funds provide various welfare and
security benefits to their members, including reimbursement of treatment expenses of workers and dependents, maternity benefits, financial assistance for children’s education and marriage of daughters, long term housing loans at low interest rates, financial assistance on prolonged illness/disability, death relief to the dependents for funeral and related functions, pension and family pension after retirement or death, as the case may be, and social insurance for accidents, disability and death.

Currently, in addition to the central government welfare boards, there are 24 actively functioning welfare funds in Kerala in 2008\textsuperscript{77} with a total enrollment of 60.27 lakh members (constituting 79 % of total estimated number of workers) as against 23 funds in 2003.\textsuperscript{78} Including the ill-functioning welfare boards and excluding central government welfare boards, following are the important welfare fund boards in Kerala.

1 Kerala Toddy Workers Welfare Fund Board, 1969  
2 Kerala Labour Welfare Fund Board, 1977  
3 Kerala Head Load Workers Welfare Fund Board, 1983  
4 Kerala Motor Transport Workers Welfare Fund Board, 1985  
5 Kerala Advocate Clerk’s Welfare Fund Board, 1985  
6 Kerala Artisans and Skilled Workers Welfare Fund Board, 1986  
7 Kerala Fishermen’s Welfare Fund Board, 1987  
8 Kerala Cashew Workers Welfare Fund Board, 1988  
9 Kerala Handloom Workers Welfare Fund Board, 1989  
10 Kerala Coir Workers Welfare Fund Board, 1989  
11 Kerala Building and other Construction Workers Welfare Fund Board, 1990  
12 Kerala agriculture Workers Welfare Fund Board, 1990  
13 Kerala Khadi Workers Welfare Fund Board 1990  
14 Kerala Abkari Workers Welfare Fund Board 1990

\textsuperscript{77} Ibid p 359  
\textsuperscript{78} Abraham K.M, “MGP Social Security Schemes”, Kerala Calling, October 2003, p.35
15 Kerala Autorikshaw Workers Welfare Fund Board 1991
17 Kerala Co-operative Employees Welfare Fund Board 1991
18 Kerala Anganwadi workers & Helpers Welfare Fund Board 1991
19 Kerala State Lottery Agents Welfare Fund Board 1991
20 Kerala Tailoring Workers Welfare Fund Board 1994
21 Kerala Beedi & Cigar Workers Welfare Fund Board 1997
22 Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers Welfare Fund Board 1998
23 Kerala Traders Welfare Fund Board 2000
24 Kerala Ration Dealers Welfare Fund Board 2000
25 Malabar Temple Employees Welfare Fund Board
26 Kerala Dairy Farmers Welfare Fund Board 2005

3.11.3.2 Social Security for Specific Groups

3.11.3.2.1 Social Security and Welfare of Women

Several schemes under the central as well as state initiative for social security of women and children are being implemented in Kerala. Destitute/widow pension is a major scheme, which paid a monthly pension of Rs. 200 each to 325911 women in 2008. Another scheme pays unmarried women of above 50 years a similar amount of monthly pension and the beneficiaries totaled 38015 in 2008. Other important schemes exclusively for women implemented by the Government of Kerala and Central Government are as follows:-

1. Financial assistance to poor widows for the marriage of their daughters at the rate of Rs.10,000.

2. Maternity benefit under NSAP and similar schemes.

80 Ibid
81 Ibid p.S206
3. Kerala State Women Development Corporation’s loans for self-employment to women

4. Schemes like Applied Nutrition Programme, Composite Programme for Women and Pre-School Children, Supplementary Nutrition and Health Care Scheme and DWCRA of the Rural Development Department.

5. Separate Women’s Industries Cell started by the Industries Department to assist women entrepreneurs.

6. Integrated Women Empowerment Programme, Balika Samridhi Yojana, Kishori Shakthi Yojana, Integrated Child Development Services, and Udisha Training Programme

7. Support to Training and Employment Programme (STEP) for women to upgrade skill of women in traditional sectors

8. Swawalambam, previously known as NORAD, helping women to obtain employment or self-employment.

9. Swayamsidhha for development of women through the formation of Self Help Groups.

10. Condensed Educational Courses to provide women with education and relevant skills

11. Swadhar benefits to women in difficult circumstances such as destitute widows, prisoners released from jails, survivors of natural disasters, trafficked women and victims of sexual crimes.

12. Working women’s hostel, short stay homes for women and girls facing moral dangers, Mahila Mandirs for destitute poor women, After Care Hostels for women released from Mahila Mandirs, Abalamandirs for destitute women or girls and Rescue Homes for women in immoral life and moral dangers.


15. Swa Shakti, supported by World Bank and International Fund for Agricultural Development, but yet to be started in Kerala.

**3.11.3.2.2 Social Security and Welfare of Children**

In 1974, Government of India declared children as ‘the supremely important asset” and assigned priority to their needs. Integrated Child Development Services (ICDS) is the flagship intervention programme stressing on nutrition, pre-school education and health education. The third phase of ICDS, started in 2000, aims at improving the nutritional and health status of children, nursing and expectant mothers, and adolescent girls, and it benefited 1135901 persons during 2008.82

National Nutrition Mission seeks to address the problem of malnutrition among women and children. Kishori Shakti Yojana 2001, part of ICDS, aims at development of adolescent girls of 11 to 18 years of age. Balika Samrudhi Yojana 1997 aims at changing the negative attitude towards girl children at birth, and Udisha Training Programme provides training to ICDS functionaries to attain better care of early childhood and development. Other social security and welfare programmes for children include the following.

1. Creches/Day Care Centres for children of working mothers.
2. Balasadanams, Homes for mentally deficient children, Care homes for disabled children, Children’s homes for children of leper patients, After care homes for rehabilitation and reformation of girls and boys, Special home for boys, Juvenile homes for delinquent and neglected children, Observation homes for under-trial-juveniles and Orphanages run by NGOs.

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82 Ibid p S211

4. Special Nutrition Programme, Applied Nutrition Programme, Composite Programme for Women and Pre-school Children and World Food Programme-supported feeding scheme

5. Assistance to voluntary organisations to provide social defense services.

6. Prohibition of child labour

7. Students Accident Insurance Scheme, 1989

8. State Plan of Action for Child in Kerala, 2004 proposed (1) to establish Cradle Baby Centres called Ammathottils in four district hospitals (2) to organise and strengthen Adoptive Parents’ Organisations in all districts, and (3) to organise Adoption Awareness Programme in each district.

3.11.3.2.3 Social Security and Welfare for the Disabled

In Kerala there are 8.61 lakh disabled persons constituting 2.7 per cent of the total population in 2001. The Commissionerate of Disability and the Departments of Social Welfare, Health, Education and Revenue are implementing the following programmes for the disabled.

1. Educational facilities like special schools run by government, aided and unaided institutions in the non-governmental sector and scholarships.

2. Vocational training through Training Centres.

3. Special Employment Exchange for the disabled and 15 special cells attached to the district employment exchanges.

4. Reservation, age relaxation, special grace marks, traveling allowance to candidates for employment etc.

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83 Ibid p. 407
5. Institutions like Asha Bhavan, Pratheeksha Bhavan, Homes for mentally and physically challenged, National Institute for Speech and Hearing, State Institute for Mentally Handicapped etc.


7. Various health intervention measures through physical medicine & rehabilitation departments, artificial limb fitting centres, child development centres etc.

3.11.3.2.4 Social Security and Welfare of Old Age People

The population aged 60 and above has increased from 5.83 per cent in 1961 to 9 per cent in 1999 and 10.95 per cent in 2001. It is expected to exceed 37 per cent in 2051. Hence the Tenth Plan laid special emphasis on welfare aspects of the old aged. Measures for their social security and welfare include-

1. Institutional care through old age homes, care homes, and homes for physically handicapped and the aged.

2. Pension schemes like Agricultural workers’ pension, destitute pension, old age pension to craftsmen, pension to sportsmen, National Old Age Pension and pension through welfare fund boards. The latest pension scheme called Indhira Gandhi Old Age Pension Scheme was inaugurated in November 2007, whereby BPL persons above 65 are paid a monthly pension of Rs. 400 and it covers 3.97 lakh persons in Kerala.

3. Other schemes like Annapoorna, which provides 10 Kg. of rice per month free of cost to destitute above 65 years and who are

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not receiving NOAP, Mobile Geriatric Services, Adoption of the elderly, marginal subsidies on air and rail tickets, etc.

Local governments are actively involved in the welfare of the aged, destitutes and disabled by allocating resources from their funds, amounting to Rs. 1,802 lakhs for the aged and Rs. 1,238 lakhs for the destitutes during 2004-05.

3.11.3.2.5 Social Security for Other Categories

There are various social security and welfare programmes aimed at other categories of population as follows.

1. For the formal sector workers, there are social insurance schemes, provident fund schemes, workers’ compensation, maternity benefits, gratuity, pension and family pension etc. under statutory provisions.

2. Primary and Preventive Health Care for all people. Primary health care facilities cover all villages and in the preventive aspect, immunisation, environmental sanitation, supply of safe drinking water, malaria and T.B eradication campaigns, toilet facilities etc. are taken care of.

3. Food security, the most important social security measure in Kerala, is achieved through its four components namely the PDS for all households, free noon meal for school children, supplementary nutrition programme for children and old age pension for the poorer. Kerala is the only state in India with complete coverage of PDS for the last 3½ decades. There were 70.33 lakh ration cards under the scheme as on 31-10-2008, and Kerala follows the targeted PDS and dual pricing system.

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4. Free school education was given originally up to primary level. But, since 1960, the first 10 years of schooling is free for boys and girls, under this universal scheme.

5. Anthyodaya Anna Yojana Scheme, implemented in 2001 provides 35 kgs of food grains @ Rs.3 per kg. to the poorest of poor.

6. Housing security is ensured through One Lakh Housing Scheme, Indira Awas Yojana, Valmiki Ambedkar Awas Yojana, National Slum Development Programme, Maithri, Kairali, Thanal, Bharat Nirman, LIC housing scheme for senior citizens etc. There is a proliferation of Housing schemes and they numbered 22 since late eighties, of which 11 are meant for the poor.\(^\text{87}\)

7. Social security schemes for Scheduled Castes and Tribes. The Kerala Scheduled Caste Development Department implements 53 programmes and the Scheduled Tribe Development Department implements 58 programmes for their welfare.\(^\text{88}\)

8. Programmes for prisoners.


10. Schemes for ex-servicemen and war widows through two welfare funds namely (i) State Military Benevolent Fund and Flag Day Fund (ii) Amalgamated Fund for Reconstruction and Rehabilitation of Ex-servicemen.

11. Social security of unemployed youth is ensured through employment generating schemes of Central Government and of the State Government like Kerala Self Employment Scheme for the Registered Unemployed, which assisted 862 beneficiaries in 2007-08 and Kerala Special Employment Programme for 1 lakh youth in

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Agriculture or through unemployment allowance scheme 1982 which assisted 3.62 lakh persons with Rs. 5,005.76 lakhs.\textsuperscript{89}

12. Social Insurance cum Provident Funds managed by various welfare fund boards for other informal sector workers as well as group insurance schemes of LIC and GIC for different occupational groups in the unorganised sector like Southern Railway Porters, Airport Taxi Drivers, Tailors etc

\textbf{3.12 New Initiatives in Kerala}

Rashtriya Swasthya Bima Yojana for protection of informal sector workers below poverty line and their families was launched in Kerala in October 2008 covering all districts and 11,79 lakh households.\textsuperscript{90} The benefits include treatment expenses upto Rs. 30,000 for a family of five members at an annual premium of Rs.30 by the employee.

Kisan Sree Insurance Scheme was approved in December 2007 by the government to cover five lakh farmers across the state, who have land holdings of less than two hectares and who are fully dependent on agriculture. The benefits are Rs.100,000 for death or permanent disability or loss of both hands and eyes or Rs.50,000 for loss of one eye or one hand, at an annual premium of Rs.19 which is fully borne by state government. Krishi Bhavans are implementing the scheme.

Minister of Labour of Kerala state has recently announced three initiatives. (1) Formation of a welfare fund for NRIs so that they may be paid pensions and other benefits; (2) A plantation labourers’ welfare fund board would be constituted and various existing welfare fund boards in the state would be restructured, and

\textsuperscript{90} Ibid p. 469
(3) A plan to give pensions to weak/low paid workers including barbers, beauticians, laundry workers etc.

Kerala Governor, R.L. Bhatia also has announced a special pension scheme for farmers during his policy address to the State Assembly, in 2008.

Development of Anganwadi Centres as Community Resource Centres for Women and Children and Additional Facilities for Anganwadi Centres were two schemes launched during tenth plan.

3.13 Conclusion

The social security programmes in Kerala are part of the state government’s public policy on economic development in general, and poverty alleviation in particular. Kerala has demonstrated the possibility of extending social security, in the context of low income agrarian society, to a significant proportion of the population. She spends a large share of her budgetary resources for social security and related welfare activities. This has been achieved in a variety of ways like-

1. Programmes that are financed and implemented by the state government like school education, primary health care etc.

2. Programmes designed and implemented by the state, but financed by both state and central governments like PDS, supplementary nutrition etc.

3. Programmes designed and funded by the centre but implemented by the state like IRDP, PMRY, NREG etc.

4. Programmes designed and funded by both central and state governments like housing for the poor.
5. Programmes jointly organised, implemented and funded by state government and non-state organisations, like welfare funds.

However the benefits rendered by many of these social security schemes are still too meager to pull those covered under any social security scheme out of even the officially determined poverty line. The 10th Five Year Plan aimed at the re-orientation of social assistance schemes (i.e., government schemes for pension and allowances) and social insurance schemes (i.e., welfare funds) to make them more effective.