CHAPTER- 2

HISTORICAL PERSPECTIVE OF THE SOCIAL SECURITY

2.1. Concept of Social Security

The concept of social security has evolved over a period of time (Earlier it was called, Economic Security). In the primitive societies it was mankind’s prime need to protect himself from the vagaries of nature like earthquakes, famines or even finding shelter and food in his day to day life. Societal groups were formed to confront and brave such hazards which turned into community living and formation of villages and bringing in the concept of a family. These institutions provided whatever limited social security those societies needed and served them adequately.¹

All people throughout human history have faced the uncertainties brought on by unemployment, illness, disability, death and old age. In the realm of economics, these inevitable facets of life are said to be threats to one’s economic security. For the ancient Greeks, economic security took the form of amphorae² of olive oil. Olive oil was very nutritious and could be stored for relatively long periods. To provide for themselves in times of need the Greeks stockpiled olive oil and this was their form of economic security. In medieval period (in Europe), the feudal system was the basis of economic security, with the feudal lord responsible for the economic survival of the serfs³ working on the estate. The feudal lord had economic security as long as there was a steady supply of serfs to work on the estate, and the serfs had economic security only so long as they were fit enough to provide their labor. During the middle Ages the idea of charity as a formal economic arrangement also appeared for the first time. Family members and relatives have always felt some degree of responsibility to one

¹Available at <http://www.Planningcommission.nic.in/aboutuc/committee/wrkggrp/wg_soclscty.pdf> accessed on 15 September 2012
²A two-handled jar with a narrow neck used by the ancient Greeks and Romans to carry wine or oil. Available at <www.oxforddictionaries.com/definition/english/amphorae> accessed on 16 October 2012
³An agricultural labourer bound by the feudal system who was tied to working on his lord’s estate. Available at <www.oxforddictionaries.com/definition/english/serf> accessed on 16 October 2012
another, and to the extent that the family had resources to draw upon, this was often a source of economic security, especially for the aged or the infirm. Land itself was an important form of economic security for those who owned it or who lived on farms.\(^4\)

These then were the traditional sources of economic security: \textit{assets; labor; family; and charity.}

In the Roman Empire, social welfare to help the poor was enlarged by the ‘Caesar Trajan’\(^5\). His programmes brought acclaim from many, including Pliny the Younger\(^6\).

In the Jewish tradition, charity (represented by tzedakah) is a matter of religious obligation rather than benevolence. Contemporary charity is regarded as a continuation of the Biblical Masser Ani, or poor-tithe,\(^7\) as well as Biblical practices, such as permitting the poor to glean the corners of a field and harvest during the shmita (Sabbatical year). Voluntary charity, along with prayer and repentance, is befriended to ameliorate the consequences of bad acts.

The concepts of welfare and pension were put into practice in the early Islamic law of the Calipate\(^8\) as forms of Zakat (charity), one of the five pillars of Islam, since the time of the Rashidun Caliph Umar in the 7th century. The taxes (including Zakat and Jizya) collected in the treasury of an Islamic government were used to provide income for the needy, including the poor, elderly, orphans, widows, and the disabled. According to the Islamic jurist Al-Ghazali (Algazel, 1058–1111), the government was also expected to store up food supplies in every region in case a disaster or famine occurred (See \textit{Bayt al-mal}\(^9\) for further information).

\(^4\) Available at \(<\text{http://www.ssa.gov/history/briefhistory3.html}>\) the official website of the US Social Security Administration accessed on 16 May 2012.
\(^5\) One of the five good Roman Emperors of the Antonine Dynasty (96-192 AD) and founder of the Ulpain library at Rome. Available at \(<\text{http://www.history-world.org/trajan.htm}>\) accessed on 6 June 2012.
\(^6\) The Roman great senator (62-115 AD) and the author of famous Collection of Letters. Available at \(<\text{http://www.history-world.org/trajan.htm}>\) accessed on 6 June 2012.
\(^7\) Offering one-tenth portion of your earnings to God out of obedience and thanks. Available at \(<\text{http://www.webweevers.com/tithing.htm} >\) accessed on 29 May 2012.
\(^8\) It is derived from the Arabic term ‘Khilafa’ was a muslim spiritual community led by the supreme religious/political leader known as Caliph (successor to the prophet mohammad) Available at \(<\text{http://www.al-islam.org.htm/http}>\) accessed on 5 June 2012.
\(^9\) It is an Arabic term that is translated as “House of Money” it was a financial institution responsible for the administration of taxes in the early Islamic states. Available at \(<\text{http://www.al-islam.org.htm/http}>\) accessed on 5 June 2012.
The Song dynasty (c.1000AD) government supported multiple forms of social assistance programs, including the establishment of retirement homes, public clinics, and pauper's graveyards.

As societies grew in economic and social complexity, and as isolated farms gave way to cities and villages, Europe witnessed the development of formal organizations of various types that sought to protect the economic security of their members. Probably the earliest of these organizations were the **guilds**\(^{10}\) formed during the middle ages by merchants or craftsmen. Individuals who had a common trade or business banded together into mutual aid societies, or guilds. These guilds regulated production and employment and they also provided a range of benefits to their members including financial help in times of poverty or illness and contributions to help defray the expenses when a member died. Out of the tradition of the guilds emerged the **friendly societies**. These organizations began appearing in England in the 16th century. Again, organized around a common trade or business, the friendly societies would evolve into what we now call **fraternal organizations** and were the forerunners of modern trade unions.\(^{11}\)

In addition to the types of economic security provided by the guilds, the fraternal organizations and some trade unions would begin the practice of providing actuarially-based life insurance to their members. The friendly societies and the fraternal organizations would grow dramatically following the Industrial Revolution. By the beginning of the 19th century one out of every nine Englishmen belonged to one of these organizations. Among early U.S. fraternal organizations that we were familiar with even into the present day are: the Freemasons (which came to America in 1730);\(^{12}\) the Odd Fellows (1819); Benevolent and Protective

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\(^{10}\) An association of persons of the same trade or pursuits, formed to protect mutual interests and maintain standards. Available at <http://www.thefreedictionary.com/Guilds> accessed on 16 May 2012.

\(^{11}\) Available at <http://www.ssa.gov/history/briefhistory3.html> the official website of the US Social Security Administration accessed on 16 May 2012.

\(^{12}\) The Freemasons are a secret fraternal society. Their exact origins are much debated by historians but they've been around for at least a few hundred years. Prominent theories are that they derive from stonemason guilds or that they evolved from the remnants of the Knights Templar after the order was destroyed. Basically, these days they engage in a lot of strange but harmless rituals and do a lot of (mostly anonymous) charity work. Offshoot organizations, like the Shriners, are often more visible than the Freemasons themselves. Much of their mythology revolves around the character of Hiram Abiff whom the Freemasons identify as the architect of Solomon's Temple. Available at <http://www.ssa.gov/history/briefhistory3.html> accessed on 16 May 2012.
Order of Elks (1868); Loyal Order of Moose (1888); and the Fraternal Order of Eagles (1898).\textsuperscript{13}

\subsection*{2.2. Organized system of state welfare provision}

Early welfare programs in Europe included the English Poor Law of 1601, which gave parishes (civil division) the responsibility for providing poverty relief assistance to the poor. This system was substantially modified by the 19th-century Poor Law Amendment, which introduced the system of workhouses.

It was predominantly in the late 19th and early 20th centuries that an organized system of state welfare provision was introduced in many countries. Otto von Bismarck, Chancellor of Germany, introduced one of the first welfare systems for the working classes. In Great Britain the Liberal government of Henry Cambell-Bannerman and David Lloyd George introduced the National Insurance system in 1911, a system later expanded by Clement Atlee. The United States did not have an organized welfare system until the Great Depression,\textsuperscript{14} when emergency relief measures were introduced under Franklin D. Roosevelt.\textsuperscript{15} Even then, Roosevelt’s New Deal focused predominantly on a program of providing work and stimulating the economy through public spending on projects, rather than on cash payment.

Germany has the world’s oldest universal health care system, dating back to Otto von Bismarck’s\textsuperscript{16} social legislation, which included the Health Insurance Law of 1883, Accident Insurance Law of 1884, and Old age and Disability Insurance Law of 1889.

The first general Social Insurance Scheme was introduced in Germany in 1883. The scheme drew upon three types of precedent. The first was the ancient system of

\textsuperscript{13}Available at \texttt{http://www.ssa.gov/history/briefhistory3.html} the official website of the US Social Security administration accessed on 16 May 2012.

\textsuperscript{14}The Great Depression, an immense tragedy that placed millions of Americans out of work, was the beginning of government involvement in the economy and in society as a whole (1929 - early 1940s).

\textsuperscript{15}The 32\textsuperscript{nd} President of the United States in office from 1933 to 1945.

\textsuperscript{16}The 1\textsuperscript{st} Chancellor of the German Empire-in office from 21\textsuperscript{st} March 1871 to 20\textsuperscript{th} March 1890.
guild\textsuperscript{17} collection boxes, funds to which each member of a particular trade was
required to contribute at regular intervals; such funds were originally used for hospital
and funeral expenses and for food and lodging for aged and disabled members. By the
middle of the 14th century these arrangements were covered by statutes and
regulations. Relief funds were later established by associations of miners. The second
precedent was a Prussian ordinance of 1810 that placed on masters a duty to ensure
that their servants were given medical attention in case of illness. From 1849
communities could make bye-laws requiring both employers and employees to
contribute to relief funds, and the law of 1854 introduced compulsory health and
accident insurance for miners. The third precedent was the employer’s legal liability
to pay damages for accidents caused by negligence. As a result of this liability, which
was widened in 1871, many employers took out private insurance. The system did not
work well because the burden of proof lay with the worker, who normally had to incur
high legal costs and delay before he could hope to obtain lump-sum compensation.

In the United Kingdom, the National Insurance Act, 1911 marked the first steps
towards universal health care, covering most employed persons and their financial
dependents and all persons who had been continuous contributors to the scheme for at
least five years whether they were working or not. This system of health insurance
continued in force until the creation of the National Health Insurance in 1948 which
extended health care security to all legal residents. Most current universal health care
systems were implemented in the period following the World War II as a process
of health care reform, intended to make health care available to all, in the spirit of
Article 25\textsuperscript{18} of the Universal Declaration of Human Rights 1948, signed by every
country doing so. The US did not ratify the social and economic rights sections,
including Article 25\textsuperscript{19} Right to Health.

\footnote{An association of persons of the same trade or pursuits, formed to protect mutual interests and
maintain standards. Available at <http://www.thefreedictionary.com/Guilds> accessed on 16 May
2012.}
\footnote{Article 25. Right to an adequate standard of living:
(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and
of his family, including food, clothing, and housing and medical care and necessary social services, and
the right to security in the event of unemployment, sickness, disability, widowhood, old age or other
lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to
special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social
protection.}
\footnote{ibid.}
2.3. Origin of the term Social Security\textsuperscript{20}

From 1918 to 1927 Abraham Epstein served as research director of the Pennsylvania Commission on Old Age Pensions. In that capacity, he was instrumental in having the State to adopt an old-age assistance law in 1923. The law, however, was declared unconstitutional by the State Supreme Court. When it became evident to Epstein that the Commission would not be continued, he decided to set up a national organization to boost public support for State old-age assistance (or “pension”) programs and other social legislation. In 1927 he founded the American Association for Old Age Security.

At the beginning of the 1930’s. “economic security” was the term used: it was used by those who worked on the early legislation; it was used by President Roosevelt in June 1934 when he formed the Committee on Economic Security; and it was again used by Roosevelt in his January 17 1935, message to Congress urging enactment of the Committee’s recommendations, which were incorporated in the “Economic Security Act.” So how the phrase “Social Security” did come to be the title of the 1935 benchmark legislation and the phrase everyone uses today? In 1941 Arthur Altmeyer (then Chairman of the Social Security Board-and later the first Commissioner for Social Security) and Wilbur Cohen (then a technical advisor to the Board-and later Secretary of the Department of Health, Education, and Welfare) wrote to Epstein asking about the origin of the term. Both Altmeyer and Cohen were familiar with Epstein’s organization-and they both knew that Epstein changed the name of his organization in 1933 to the American Association for ‘Social Security’.\textsuperscript{21}

In his response, Epstein first acknowledged that his friend and colleague Emil Frankel was the person who coined the term “security”. When Association was first organized in 1927 its name was the American Association for Old Age Security.\textsuperscript{22}

“We hit upon the word ‘security’ during a walk in Harrisburg with my friend, Emil Frankel . . . . I believe the credit for the term ‘security’ really goes to Frankel”. In 1949 in a note to Cohen, Frankel wrote about this incident. In the process of “establishing a national organization to spread the gospel of old age assistance

\textsuperscript{21} ibid
\textsuperscript{22} ibid
throughout the United States, the American Old Age Pension Association was formed. When I heard the word pension it did not fit so well with me, knowing that at that moment the word had a connotation of politically radical action which challenged the established order. I told Epstein I would not use the word pension. He naturally asked me what word I would suggest. I thought for a moment and simply said “security.” Frankel’s note ended with a prescient as well as a reflective statement. “It is somewhat breathtaking to me as I ponder this inconspicuous incident in Harrisburg that the word ‘security’ has been incorporated in all social legislation in this country has become a household word in the United States and spells assurance to millions of American citizens in meeting life’s untoward economic problems.” Epstein’s letter to Cohen continued, detailing how he chose the phrase “social security” the change in the organization’s name early in 1933 to the American Association for Social Security was entirely my own idea and I had definite reasons for using the words ‘social security’ rather than ‘economic security’ or ‘social insurance’.

“I insisted on the term ‘social security’ because by that time I had a clear conception of the differences which lay between the concept of social insurance as worked out by Bismarck in Germany and the conception of social protection as elaborated in England. I definitely did not want ‘social insurance’ because this would give it the German twist of the actuarial insurance concept in terms of compulsory savings which do not justify governmental contributions. I did not want ‘economic security’ because what I hoped for was not only a form of security for the workers as such but that type of security which would, at the same time, promote the welfare of society as a whole as I was convinced that no improvement in the conditions of labour can come except as the security of the people as a whole is advanced.” In the letter, Epstein also told Cohen that he was convinced that the Committee developing the social security program was named economic security as a deliberate attempt to get away from our name, probably because it was thought wiser to disassociate the governmental committee from a private propaganda organization. He concluded by saying he was “quite happy” that in writing the final legislation the “Congress restored our name. That legislation, of course, became known as the Social Security Act of 1935, it

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established the Federal Old Age Benefits program, the Unemployment Compensation program, and the Federal-State Assistance program (among others).\textsuperscript{24}

\section*{2.4. Evolution of Social Security in India}

In Vedic period, there were four varnas, viz., Brahmanas, Kshatriyas, Vaisyas and Sudras. These were based on their profession and status. The Brahmanas were concerned with study, teaching and officiating as priests. But serving in army was the hereditary profession of Kshatriyas. Cultivation of soil, tending cattle, trading and money lending were the professions of the Vaisyas. Those who had to serve the higher classes were called the Sudras. Buddha had raised a voice against the Brahmical supremacy with his dictum of universal equality and brotherhood among human beings.\textsuperscript{25}

The old rule that particular caste should follow only particular profession was rejected. \textit{Buddha said that right knowledge and right conduct of man alone determine his status in the society.}\textsuperscript{26}

According to Kautilya’s Arthashastra, during the period of Ashoka, the labourers were treated very kindly with their wages and benefits, regularly with fairly high esteem. But the conditions of this class got deteriorated during the Muslim regime. The payment of wages and of providing other benefits was with Amirs’ who were selfish and manipulators having vested interests.\textsuperscript{27}

Generally the poor people were called Sudras, who were maltreated like animals in ancient India. The labour policy and administration during that time was punitive and feudalistic in structure and character. \textit{However, the slave labour enjoyed better economic conditions and status as compared with free labour because the former could share the homes of their masters.}\textsuperscript{28}

\begin{footnotesize}
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\item \textsuperscript{24} ibid
\item \textsuperscript{25} B. Singh, \textit{Labour Policy and Administration} (MD Publications Pvt Ltd, New Delhi 1996) 1-2
\item \textsuperscript{26} P.C. Jain, \textit{Labour in Ancient India} (UK publications, 1971) 9
\item \textsuperscript{27} ibid
\item \textsuperscript{28} B. Singh, \textit{Labour Policy and Administration} (MD Publications Pvt Ltd, New Delhi 1996) 1-2
\end{itemize}
\end{footnotesize}
India has enjoyed a joint family system that took care of the social security needs of all the members even with minimal ownership of material assets like land. In keeping with its cultural traditions, family members and relatives have discharged their shared responsibility towards one another. To the extent that the family has resources to draw upon, this is often the best relief for the special needs and care required by the aged and those in poor health. However, with increasing migration, urbanization and demographic changes there has been a decrease in large family units, and the need for a formal system of social security gains importance.

The British colonial rule in the Indian subcontinent witnessed the formation and growth, though to a limited extent, of a wage-earning industrial labour force. This labour was employed in the manufacturing enterprises, mines, transport and communications, and plantations. At the time of independence in 1947 barely 10 per cent of the workforce in India and Pakistan was employed in the manufacturing sector, 0.5 per cent in the mines, 1.5 per cent in transport and communications, and 2.4 per cent in plantations and allied activities. In spite of its relative smallness, in absolute terms the industrial labour force was fairly large. Thus, manufacturing employment in the Indian union totalled 126 million. However, the number of factory workers in the subcontinent stood at just 2.9 million in 1951.29

Thousands of workers belonging to this labour force faced various and widespread uncertainties and hazards and their consequences were severe. In their everyday life they were threatened with uncertainties with respect to livelihood and life arising from sickness, accident, pregnancy, death, unemployment and underemployment due to business decline and depression and strikes or lock-outs. The problems were compounded by the absence of any government-operated or -supported programmes for compensation for disability or death due to accident, facilities for health care and support during sickness, benefits for maternity, old age pensions, unemployment benefit, and education. Even thereafter, government support for social security of

labour remained non-existent or negligible and haphazard. Welfare provisions by the
capitalist employers too were virtually absent or of extremely limited coverage.\textsuperscript{30}

\subsection*{2.4.1. Labour Welfare Activities and Associations}

To our knowledge, the only organisation which may in a sense be considered to have been formed in the Calcutta area at the initiative of some working people was the Mohammedan Association. Kazi Zahir-ud-din Ahmed, a non-Bengali Muslim clerk of a jute mill in Kankinara (a mill area a few miles to the north of Calcutta) and president of the association, told the Indian Factory Labour Commission of 1908 that the association, formed in 1895, was composed solely of mill operative and was doing its utmost to popularise mill work amongst the masses of the population in general and Musalmans in particular. With reference to the religious community wise composition of the association, Ahmed stated, “It was started... with the object of attracting more Mahomedans to jute mills but since then Hindus have been admitted to membership, and now the association looked after the interests of the operatives generally”.\textsuperscript{31}

With regard to the membership, organisation and activities of the association, Ahmed informed the commission that they did not keep a list of members, but their membership numbered some thousands. Neither had they a fixed place of assembly. One Sunday in December (1907) about 1,000 operatives assembled to discuss questions in connection with the present enquiry (which was concerned with the length of working hours and holidays). All agreed as to the necessity for more holidays (on religious occasions). The Mahomedans wanted two days each for the Idul Fitr, Bakri Id, Mohurrum and the Hindus wanted a week for the Durga Puja. The meeting also approved of daylight working, the weavers stating that with shorter hours they would make tip their earnings to the same amount by more constant

\textsuperscript{30}Ranajit Das Gupta, \textit{a Labour History of Social Security and Mutual Assistance in India}, Economic and Political Weekly vol. XXIX No.11 March 12, 1994. 612 cited in for the slate of government and legislative measures for social security and of welfare schemes undertaken by the employers in the late colonial period, see, among others, Radhakamal Mukherjee, \textit{The Indian Harking Class}. Bombay. 1945; and Government of India, Labour Investigation Committee, \textit{Main Report}, Delhi, 1946 (hereafter LIC: Report), The Committee reported: “The government of India till recently did not undertake any activities to promote the welfare of industrial labour” (p 347). The committee also found that the vast majority of industrialists in India viewed “welfare work as a barren liability” (p 149).

application to their work. At present the hours are too long. The majority of those present at the meeting “preferred enjoying better health to earning big wages.” Continuing he said, they had a president, vice-president, treasurer and honorary secretary of the association. The cash balance at present would be under Rs 100. Their last expenditure was incurred on the improvement of a mosque, and before that they disbursed alms on the occasion of the coronation (of Edward VII in 1903). The association raised subscription for purposes of charity, and assisted in cases of sickness, or if an operative had to be sent home.\textsuperscript{32}

In fact, the first known instance of any labour welfare attempt anywhere in India was the role played by the Brahma social reformer Sasipada Banerji. In Baranagore, an industrial suburb of Calcutta where the Baranagore Jute Mills was located, in late 1860s and 70s Sasipada Banerji combined his energy for the education of women with efforts for welfare of mill workers. The years 1869 to 1874 were full of activities for improvement of condition of the workers in Baranagore and its adjoining areas. He started several night schools for working people, the first of them in 1869, a Temperance Society converted into a Workingmen’s Club in 1870, a savings bank in 1871 and an ‘anna’ bank (modelled on penny banks in England) in 1871, a Bengali monthly journal \textit{Bharat Sramajibi} (Indian Toilers) in 1874, and an institute for workers in Barangore.\textsuperscript{33} Banerji's aim was to develop among the labouring poor the habits of thrift, industry, and temperance, the virtues of which were constantly propagated in the \textit{Bharat Sramajibi}, which itself was seen by him as a means of improving the moral and material conditions of the working classes. He was moved by a deep concern for the plight of the workers. But his entire endeavour was marked by several limitations. As pointed out by Dipesh Chakrabarty in his study on Banerji, To Banerji, or his mentor, Mary Carpenter of Bristol, the workers’ poverty, ill health, or inadequate housing always pointed to the weakness of the workers’ moral fibre”.\textsuperscript{34}

Evidently enough, Sasipada’s activities had nothing to do with workers’ initiatives or redress of their grievances. Not only that. His concern for the working people did not

\textsuperscript{32} ibid 268  
\textsuperscript{33} ibid 613  
\textsuperscript{34} ibid

(For a detailed account and discussion of Banerji’s activities, see, Chakrabarty, Sasipada Banerjei; A Study in the Nature of the First Contact of the Bengali Bhadralok, with the Working Classes of Bengal, \textit{Indian Historical Review}, January 1976).
have any indigenous origin. It was largely inspired by Mary Carpenter, and the values propagated by him were largely imported from Victorian England. Moreover, his connections with some official and non-official Europeans were important for the progress of his work. Furthermore, his labour-welfare activities received full and active support from the management of the Baranagore Jute Mills. They viewed Sasipada’s efforts as effective means of disciplining labour. He tried to inculcate among the workers loyalty to the British raj as well as to the company. But his activities, lacking any social base among the workers and broader indigenous society, virtually came to a stop in the late 1870s. It is noteworthy that Sasipada’s efforts distinctly differed from those of S S Bengalee or N M Lokhande, his contemporary labour reformers in Bombay to them reference is made below.35

The years of ‘swadeshi’ movement in Bengal (1905-08) witnessed significant manifestations of labour protests of relatively autonomous nature, autonomous in relation to the world of organised politics, generally followed by efforts to form labour organisations and trade unions by middle class philanthropists. Some of the organisations made attempts to cope with the difficulties faced by workers and employees arising from conflicts with their capitalist employers, particularly and relatively long-drawn strikes. Redress of grievances arising out of dismissals and retrenchments, unjust fines and police prosecution needed legal aid for fighting the cases at law courts and other forums. Such aid was extended to victimised workers, and with regard to the provision of legal aid the names of Aswinicoomar Banerji, Prabhat Kusum Roychaudhuri, Athanasius Apurbakumar Ghosh and Premtosh Bose stand out in particular. Of the four, the first three were barristers and from the available evidence it appears that they rendered legal aid free. However, court cases involved expenses other than lawyers’ fees such as court fee. But little is known about how these expenses were met. It is possible that the workers raised subscriptions from among themselves.36

In Bombay S S Bengalee, a parsi journalist, and N M Lokhande, a philanthropist and a member of one social reform group, came to be involved in labour affairs, both of them were concerned with ventilation grievances of labour and agitation for

36 ibid 614
legislation to regulate factory hours. Their approach differed from that of Sasipada Banerji.

The earliest known instance of a welfare organisation in the Bombay area was the Bombay Millhand’s Association, which functioned irregularly between 1884 and 1893. The association was formed at the initiative of Lokhande to give expression to workers’ feelings for reduced working hours and a weekly holiday. The association did not have any formal membership, any funds and any rules depended on jobbers, ‘mukaddams’ or labour recruiters and shop floor foremen (termed as labour lords) for mobilising an audience for its meetings. Jobbers and caste groupings provided continuity in periods when the association was ‘moribund’ and raised funds for contributions to village amenities or religious festivals. The early history of the millhands has several examples of links between caste-uplift movements and campaigns against bad working conditions. Another organisation, Maratha Aikyechoo Sabha, was involved for a few years in educational and temperance work among Bombay millhands in 1880s.37

The first organisation in Bombay that is conventionally considered to have trade union characteristics was the Kamgar Hitwardhak Sabha founded in 1909, a body that emerged out of caste-oriented welfare work. The sabha started as a broad-based welfare organisation. S K Bole, one of the chief organisers, appeared as a spokesman of the untouchables and non-brahmans as well as the industrial workers. It had a wide range of aims: education, provision for support in sickness and unemployment, assistance in resolving industrial disputes, and encouragement to do away with harmful customs. It ran three night schools and conducted evening classes in the ‘chawls’, organised lectures and sporting competitions ran campaigns for temperance and proper observance of religious festivals, secured free legal aid, petitioned the municipality on public issues such as health, and submitted complaints to the employers.38

The other welfare organisation at work among the Bombay mill workers was the Social Service League which started its work in 1913. Trained, full-time social workers organised the league’s activities and theoretically speaking it was not

dependent on the co-operation of jobbers and similar intermediaries. N M Joshi, a social worker and labour organiser, was the leading figure.\textsuperscript{39}

The league was modest about the scope of its work, seeing itself as the pioneer of limited practical reforms, which would improve conditions mill by mill. It was particularly concerned about low wages and long hours. Apart from these, it considered that the most pronounced drawback of the labouring classes was their almost universal illiteracy, and proceeding from this understanding the league ran several night schools. The league viewed poor housing and in-sanitary conditions as another major problem. It sent its members to live among the workers and to spread ideas of domestic hygiene and thrift through example and persuasion. It also set up credit societies and co-operative stores, organised recreations like wrestling to draw away the workers from liquor and gambling, and embarked on schemes like evening classes, sewing group for women and dispensaries. Impressed with the league’s activities, mill managements gave cash contributions to the league and provided rent-free rooms in the companies’ ‘chawls’.\textsuperscript{40}

Within a few years the scope of league’s activities broadened from individual mills to groups of mills or mill districts. For example, in 1918 the league worked out a plan to convert its branch in Parel, a mill district, into a workmen’s institute. With lavish donations from the mill owners, the plan materialised into a well-equipped meeting hall, a dispensary and staff accommodation. The entire complex was opened in 1922 and soon afterwards an elementary and technical school was added.\textsuperscript{41}

Around the same time, two important mill management the Currimbhoys\textsuperscript{42} and Tatas asked the league to plan and supervise the operation of welfare schemes that they wished to introduce into their own mills. Interestingly enough, the new responsibilities involved the league in conflicts between capital and labour. While the league hoped to encourage the growth of trade unions and to represent the workmen’ interests in this process, the managements viewed welfare schemes ‘as a double insurance against strikes’. It was expected by the employers that philanthropy would help to contain discontent, which the league office-bearers would act as intermediaries

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\textsuperscript{39} ibid 112 \\
\textsuperscript{40} C Revri, \textit{The Indian Trade Union Movement}, (Orient Publications Pvt ltd New Delhi, 1972) 21 -23. \\
\textsuperscript{42} Retailers and wholesalers of Crockery, Glassware, Cutlery and Kitchenware. Established in 1889.
\end{flushleft}
in resolving disputes and that factory committees were to be formed as instruments of realising those aims. But these expectations were belied, for it was soon seen by the workers that the committees were not allowed to discuss the major issues of wages and hours. The other activities of the league like co-operative credit societies and co-operative shops also ran into considerable difficulties.

Possibly the only union with an elaborate range of welfare activities was the Majur Mahajan or Textile Labour Association (TLA) of Ahmedabad with the establishment of which Gandhiji was associated. The TLA’s approach to labour problems and activities was substantially influenced by Gandhi’s views on capital-labour relations and trade unions which were distinctly paternalistic. Trusteeship defined by Gandhi as the voluntary use of the wealth and property of the wealthy and property-owners by themselves for the benefit of labour emerged as the cornerstone of the TLA’s ideology. Though class antagonism and the role of trade unions in safeguarding the economic interests of its members in conflict with the employers were not entirely ruled out, these came to have a secondary place in the TLA’s strategy and programme. The TLA, however, became renowned for its involvement in the provision of welfare facilities for its members and stress on constructive programmes rather than conventional trade union activities.  

At the time of enquiry by the Royal Commission on Labour in India (RCLI) in 1929, the TLA maintained two dispensaries and a hospital for accommodation for 30 indoor patients. It ran 23 schools with 1,458 boys and 76 girls from its own resources and also two boarding schools funded by other sources, The TLA had a social betterment department which conducted evening classes in ‘chawls’ to teach workers reading and writing, maintained a library and a reading room for its members and also ran travelling or circulating libraries. Among the unions other welfare activities were four physical cultural centres, a volunteer corps, cheap grain shop, eating shops, a savings bank and a cheap loans Department. The significance of welfare work may be gauged from the union’s budget [in 1925], 70 per cent of its income was spent on education, medical aid and various other social betterment activities. These were all carried on mainly from the members’ subscriptions which were collected by the mills.

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For many years the mill owners made an annual grant to the association for educational purposes.\textsuperscript{45}

It is of interest to note that in general leftwing trade unions have avoided welfare and self-help or mutual aid activities to protect workers from adversities and misfortunes resulting in loss of income. However, there have been efforts on the part of a few left-led unions to relate struggles against employers around the issue of conditions of work and living, to welfare work such as education, medical care, anti-liquor campaign and social, cultural and economic upliftment of workers belonging to various tribal and low caste groups. The most prominent example of this type of trade unionism is provided by Chattisgarh Mines Sramik Sangha (CMSS), a radical, Marxist trade union formed in 1978 involving tribal mine, construction and small factory workers of the steel region of Bhilai in Madhya Pradesh,\textsuperscript{46} These workers, employed on contract, did not and still do not have any minimum wage protection and security of employment. The CMSS and its broader platform Chattisgarh Mukti Morcha (CMM, organised in 1979) not only built up a militant movement for wage and employment security but also launched a vigorous and fairly successful anti-liquor campaign, set up several schools with particular emphasis on women education, promoted consciousness about health care and established a hospital named Sahid or Martyr Hospital almost solely by mobilising fund and resources form the labouring people, formed a cooperative garage workshop, \textit{and took initiative for environmental protection}.

\section*{2.4.2 Social Security in Modern India}

\textit{Coming to modern India the history of Social Security can be divided into two phases- (1) history of social security in colonial India and (2) history of social security in independent India.} During the period of colonial India, if we look back to the period of pre 1919 i.e. pre-world war I period, the then Indian Government started sensing

\textsuperscript{45}ibid 328

\textsuperscript{46}Purnendu Basu and Sankar Sanyal (ed), \textit{Sangarsha and Nirman}, (Conflict and Construction), Calcutta, 1992. This is a collection of writings on activities of Sankar Guha Neogy, the main spirit behind CMMS and CMM. The collection also contains several pieces of writing by Neogy himself. Neogy was assassinated by assassins engaged by the employers (He was the founder of Chhattisgarh Mukti Morcha, a labor union run in the town of Dalli Rajhara Mines in Chhattisgarh. Shankar Guha Niyogi succeeded in sustaining the Mine Worker movement for 14 years from 1977 till his death in 1991).
the necessity to have social security benefits to the working class or working population when the factory system started growing with the establishment of Cotton mills in Bombay in 1851 and Jute mills in Bengal in 1855. The conditions prevailing in these factories were inhuman. The working hours were excessive, provisions for safety were nil. Workers welfare, holidays, leave, medical care were *taboos to talk about by the working class of that period.*

When the Industrialists faced problems of their existence with the growing accidents in the industries and factories and the resultant fear psychosis developed among the workers leading to unrest among the working population, they felt that there should be some sort of sops to be given to the working class. This ultimately resulted in the enactment of Fatal Accidents Act 1855 on the model of English Fatal Accidents Act 1846. This act has its own limitations. Provisions of the Act were highly inadequate. Moreover, the Act does not permit certain dependants viz. brothers, sisters to claim compensation. The rate of compensation was also very much inadequate and uncertain.

*The period between 1919 and 1941 is worth noting in the history of social security in the colonial India.* World War I had a tremendous impact on the attitude of Government and society towards labour. With the cessation of hostilities the world turned to peace and reconstruction, which gave birth to the establishment of International Labour Organisation (ILO). ILO adopted as many as 17 Conventions and which later increased to 28 social security Conventions. But of all the Conventions the significant one is the Convention no.102 concerning the minimum standard of social security.

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47 P. Madhava Rao *Social Security Administration in India: A Study of Provident Funds and Pension Scheme,* (The Icfai University Press, 2007) 7
48 ibid
49 It is a comprehensive instrument covering almost every branch of social security provided in minimum standard in respect of benefits payable in large number of contingencies like sickness, unemployment, old age, death, employment injury, invalidity etc
The Social Security (Minimum Standards) Convention, 1952 (No.102).  

It is the flagship of all ILO Social Security Conventions, as it is the only international instrument, based on basic social security principles, that establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are:

1. medical care;
2. sickness benefit;
3. unemployment benefit;
4. old-age benefit;
5. employment injury benefit;
6. family benefit;
7. maternity benefit;
8. invalidity benefit; and

While Convention No. 102 covers all branches, it requires that only three of these branches be ratified by Member states, which allows for the step-by-step extension of social security coverage by ratifying countries.

The minimum objectives of the Convention relate, for all the nine branches, to the percentage of the population protected by social security schemes, the level of the minimum benefit to be secured to protected persons, as well as to the conditions for entitlement and period of entitlement to benefits.

The principles anchored in Convention No. 102 are:

1. Guarantee of defined benefits;
2. Participation of employers and workers in the administration of the schemes;

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50 Till the date Forty Nine countries have ratified, Available at <http://www.ilo.org/global/lang-en/index.htm#a1> accessed on 2 May 2013.
51 The unique tripartite structure of the ILO gives an equal voice to workers, employers and governments to ensure that the views of the social partners are closely reflected in labour standards and in shaping policies and programmes.
3. General responsibility of the state for the due provision of the benefits and the proper administration of the institutions;
4. Collective financing of the benefits by way of insurance contributions or taxation.

Convention No. 102 does not prescribe how to reach these objectives but leaves certain flexibility to the member state. They can be reached through:

1. Universal schemes
2. Social insurance schemes with earnings related or flat rate components or both
3. Social assistance schemes.

Convention No. 102 also requires regular actuarial valuations to be carried out, which ensures the sustainability of the scheme. Furthermore, Convention No. 102 lays down that social security schemes be administered on a tripartite basis, which guarantees and strengthens social dialogue between Governments, employers and workers. Thus, Convention No. 102 is considered to be a tool for the extension of social security coverage and provides ratifying countries with an incentive for doing so by offering flexibility in its application, depending on their socio-economic level.

India has however ratified the following conventions\(^{52}\) viz-

1) Workmen’s Compensation (Accident) Convention 1925 (No.17)
2) Workmen’s Compensation (Occupational Disease) Convention 1925 (No.18)
3) Workmen’s Compensation (Occupational Disease) Convention (revised) 1934 (No.42)
4) Equality of treatment (Accident) Convention 1925 (No.19)
5) Later in 1962 the Equality of treatment (social security) Convention was ratified.

The period from 1920 is very significant in the history of working class. This is the beginning of Trade Unionism in India. Workers started organising themselves for redressal of their grievances. In India as well as in several other countries the agitations launched during 1920 have led India to the passing of Workmen’s Compensation Act, 1923. Though this Act was passed on 5.3.1923 it came into force

\(^{52}\) P. Madhava Rao Social Security Administration in India: A Study of Provident Funds and Pension Scheme, (The Icfai University Press, 2007) 7
from 1.7.1924. The object of the Act was to “eliminate the hardship experienced under the common system, by providing prompt payment of benefits regardless of fault and with a minimum of legal formality”\textsuperscript{53}. After this Act, the Government of India enacted the Provident Funds Act, 1925. It was made applicable to Railways and Government Industrial establishments. During the same period i.e. in 1929 the Government of Bombay adopted the Maternity Benefit Act followed by the Central Provinces in 1930.\textsuperscript{54}

On the recommendation of the Royal Commission on Labour,\textsuperscript{55} Ajmer Merwar in 1934, and Delhi in 1937, Madras and United Province in 1938 passed maternity benefit legislation. In addition to these provincial legislations the Central legislation passed was for the Miners with the enactments of \textit{Mines Maternity Benefits Act 1941}. These legislations provided for the payment of Maternity benefit to the women employed in Mines. Another legislation aiming at abrogating the doctrine of common employment and assumed risk was passed in 1938 by enacting Employers Liability Act 1938. If we look at the recommendations of the Royal Commission on Labour which enquired during 1929 into the working conditions on Industrial Labour the concern for the welfare of the workers and provisions against old age can be understood in its own words. Industrial life tends to break down the joint family system. Those workers, who, at the beginning of their industrial career, own a plot of land, are often unable to retain possession, and with the passage of the years the connection with the village became loosened. Workers in the mines are unable to save out of their low earning against old age. Those in intimate touch with the life of the workers know something of their misery in which they pass their old age. The necessity for making some provision against old age need to be emphasised. A few employers, railway administration and government department have made provisions for some of their workers, either by means of a Provident Fund or by instituting a System of Pension. It is appreciated that in this report it is impossible to make provision for meeting every contingency in the life of the worker, but the importance of this matter being generally admitted, they feel it incumbent to recommend that until

\textsuperscript{53} Law Commission of India, sixty second report (1974) on the Workmen’s Compensation Act, p 6
\textsuperscript{54} ibid 8
\textsuperscript{55} The Royal Commission on Labour was appointed in 1929, under the Chairmanship of J.H. Whitely to investigate and inquire the existing conditions of labour in industrial undertakings, plantations, etc. This Commission submitted its monumental report on 14\textsuperscript{th} March 1931. Most of the labour legislations enacted subsequently were the result of the recommendations of this Commission.
such time as it is found practically to institute either general scheme of old age pension or Provident Funds for industrial workers, Government should, wherever possible, encourage employers by financial grants or other means to inaugurate schemes of this nature for their employees.\textsuperscript{56}

The Royal Commission on Labour also dealt with payment of gratuity to railway employees. In its report, it observed:

\begin{quote}
The limitation now placed upon the grant of gratuity to a subordinate on retirement or resignation after 15 years qualifying service should be modified to permit his voluntary withdrawal from service, if so inclined, without any qualification except that of adequate previous notice of his intention.
\end{quote}

The third phase of development of Social Security moment in colonial India started from 1942, with the Third Labour Ministers’ Conference. India could not afford to ignore the development of Social Security plans in other countries. The Beveridge Report of British Social Insurance and Allied Services in England, Wagner-Murray, Diongal Bill in USA\textsuperscript{57} and Marsh plan (Report on social security) in Canada, have compelled colonial Indian Government to shake their stupor and come out with some meaningful legislative measures for social security. In the Beveridge\textsuperscript{58} Committee

\begin{thebibliography}{99}
\bibitem{notes}{\textsuperscript{56} P. Madhava Rao \textit{Social Security Administration in India: A Study of Provident Funds and Pension Scheme}, (The Icfai University Press, 2007) 8-9}
\bibitem{notes}{\textsuperscript{57} The Wagner Bill evolved and shifted from a proposal for federal grants-in-aid to a proposal for national health insurance. First introduced in 1943, it became the very famous Wagner-Murray-Dingell Bill. The bill called for compulsory national health insurance and a payroll tax. In 1944, the Committee for the Nation’s Health, (which grew out of the earlier Social Security Charter Committee), was a group of representatives of organized labor, progressive farmers, and liberal physicians who were the foremost lobbying group for the Wagner-Murray-Dingell Bill. Prominent members of the committee included Senators Murray and Dingell, the head of the Physician’s Forum, and Henry Sigerist. Opposition to this bill was enormous and the antagonists launched a scathing red baiting attack on the committee saying that one of its key policy analysts, I.S. Falk, was a conduit between the International Labor Organization (ILO) in Switzerland and the United States government. The ILO was red-baited as “an awesome political machine bent on world domination.” They even went so far was to suggest that the United States Social Security board functioned as an ILO subsidiary. Although the Wagner-Murray-Dingell Bill generated extensive national debates, with the intensified opposition, the bill never passed by Congress despite its reintroduction every session for 14 years! Had it passed, the Act would have established compulsory national health insurance funded by payroll taxes. Available at \texttt{<http://www.ssa.gov/history/briefhistory3.html>} the official website of the US Social Security Administration accessed on 16 May 2012.}
\bibitem{notes}{\textsuperscript{58} In 1941, William Beveridge one of the Britain’s leading economist, was asked by Winston Churchill’s government to look at the problems of building a post-war Britain and was also asked to consider how the various social security schemes could be harmonized. His report covered the five threats to society: Want, Ignorance, Disease, Squalor and Idleness. Available at \texttt{<http://www.ssa.gov/history/briefhistory3.html>} the official website of the US Social Security Administration accessed on 16 May 2012.}
\end{thebibliography}
Report (1942), Social Security was defined as “Freedom from Want”. Though this was the original, the actual emphasis was more in tune with the contingency oriented approach. Social Security was a term that was used to denote the securing of income in place of regular earnings when such earnings were disrupted due to contingencies such as unemployment, sickness, death of the earning member of the family or accident. It also included the provisions made for retirement through age, against loss of support by the death of the breadwinner and meeting of exceptional expenditures such as those connected with birth, marriage and death. However, in actual implementation, social security provision was restricted to only three measures, viz., childrens’ allowances, comprehensive health and rehabilitation services, and maintenance of employment, which implied avoidance of mass unemployment.\(^{59}\)

Thus “the Third Labour Ministers’ Conference 1942 placed the tentative scheme for sickness insurance and decided to advance loan to run the scheme in cotton, jute textiles and heavy engineering industries.\(^{60}\)

Later in March 1943 Government of India appointed a committee presided over by Professor B P Adarkar,\(^{61}\) an officer on special duty, for the purpose of formulating a scheme of health insurance for Industrial workers. This was followed by the appointment of a high powered committee with Sir Joseph Bose as its Chairman Known as “Health Survey and Development Committee” to make a broad survey of the present position in regard to health conditions and health organisation in British India and to make recommendations for future development. This committee and its findings were helpful in formulation of the scheme by Adarkar Committee, which submitted its report on August 15, 1944. The highlights of both the committees were the problems of national health. Prof. BP Adarkar’s scheme was later examined by experts of ILO, Mistach and R. Rao in 1945 with a few modifications in respect of a scheme of health insurance in three main areas viz-

1) Separation of administration of medical and cash benefits.

\(^{59}\) Beveridge Committee Report, 1942, p.120  
\(^{60}\) P. Madhava Rao Social Security Administration in India: A Study of Provident Funds and Pension Scheme, (The Icfai University Press, 2007) 8-9  
\(^{61}\) The first document on social insurance was “Report on Health Insurance” submitted to the Tripartite Labour Conference, headed by Prof. B.P. Adarkar, an eminent scholar and visionary. The Report was acclaimed as a worthy document and forerunner of the social security scheme in India and Prof. Adarkar was acknowledged as “Chhota Beveridge” by none other than Sardar Vallabhbhai Patel.
2) Integration of maternity benefits and workmen’s compensation in the health insurance schemes and

3) Extension of the scheme in all perennial factories under the Factories Act as well as to non-manual workers.

The scheme was endorsed by the ILO experts. After these colonial Indian legislations on social security, the history of social security of free India started right from 1946 although India became independent only on 15th August, 1947. The interim government formulated a five year programme for the welfare of the labour class. The main features of the programmes were:

1) Organisation of Health Insurance Scheme, applicable to factory workers to start with.

2) Review of workmen’s compensation Act.

3) A central law for maternity benefit.

4) Extension to other classes of workers of the right, within specific limits to leave with allowances during the sickness\(^\text{62}\). 

The year 1947 also witnessed the enactment of Industrial Disputes Act empowering the industrial worker to raise an industrial dispute regarding the payment of gratuity. Thus gratuity became a legal right. Adarkar Committee report with the endorsement of ILO has given birth to the enactment of *Employees’ State Insurance Act, 1948*, *providing compulsory health insurance.*\(^\text{63}\)

### 2.5. The Rege Committee\(^\text{64}\)

The popularly known ‘Rege Committee’ of 1944 which was asked to investigate the question of wages and earning, employment, housing and social conditions generally, made a survey of labour problems in different industries. The committee covered


\(\text{63} \) P. Madhava Rao *Social Security Administration in India: A Study of Provident Funds and Pension Scheme*, (The Icfai University Press, 2007) 9-10

\(\text{64} \) Labour Investigation Committee, 1944
**interalia**, the question of relief in case of old age and death in relation to retired benefits such as Provident Fund, gratuity and pension. The committee observed:

The whole problem of provision against old age or death of breadwinners legitimately falls within the sphere of social security, and it is a matter for consideration whether either the initiation of management of scheme of provident fund, gratuities and pensions should be left to employers themselves. Of course, so long as there are no schemes of social security introduced in a particular industry or area, the existing private scheme of provident fund, etc. should be allowed to continue under the management of the employer. The existing schemes in this connection do not appear to be very liberal. The absence of social security measures like provident funds, gratuities and pension in most concerns has largely contributed to the migratory character of Indian labour and is one of the most important causes of the larger labour turnover in the factories. Though some of the larger employers have instituted tolerably good schemes, the number of such cases and pensions are rather rare. A few employers have instituted gratuity and pension schemes. The amount of gratuity generally amounts to half a month’s wages for every completed year of service put in. In almost all the cases the gratuity is payable only to deserving workers of proven good behaviour, the sole judge of the deservedness being the employer himself. Hence, there is always scope for discrimination and the trade unions bitterly complain that their members are discriminated against. The rate of gratuity is progressively reduced if the period of service is less than 20 years. After examining the above facts, the committee concluded:

Our investigation shows that only a few enlightened employers in the country have made some provision for safeguarding the future of their operations when they retire, and of their dependents when they die, by way of either provident fund or gratuity scheme. The large bulk of industrial workers, however, remain uncovered and it is distressing that a worker who has toiled for 20 to 30 years in a factory should become destitute in his old age. We think that just as employees of governments and of local bodies have something to fall back upon during old age, so also industrial labourers should be protected
by a similar provision requiring employers to have pension schemes. The incidence of death is probably much more serious in this country than the incidence of old age in view of the low expectation of life. There is little or no provision against the contingency of the premature death of the breadwinner. As the average industrial worker is too poor to insure his life with commercial companies and as such insurance is not always technically profitable, this field may best be reserved for state insurance of some kind.

From the foregoing it is very clear that the Rege Committee not only recognised some of the retirement benefits, but also highlighted the importance of retirement benefits as one of the measures of social security. The Coal Mines Provident Fund and Bonus Act, 1948 seeks to ensure the economic security of coal mine workers after they retire from active service and of their dependants in case of premature death. The preceding laws in the direction of miners’ welfare were coal mines Labour Welfare Fund Ordinance, 1944 Coal Mines Labour Welfare Fund Act 1947, and Mica Mines Labour Welfare Fund Act 1946.

After independence, the labour welfare movement acquired new dimensions. It was realized that labour welfare had a positive role to play in increasing productivity and creating harmonious relations between employers and workers. The emergence of different central trade organisations, viz INTUC65 (1947), HMS66 (1948), UTUC67 (1949), BMS68 (1955), CITU69 (1970) etc., contributed to the growth of labour welfare movement.

Another phase of Social Security started in India after it became a republic India on 26th January 1950. The Constitution of India has various provisions that stress provision of socio economic security. A perusal of the contents indicates that several constituents that facilitate the provision and effectiveness of the wider concept of socioeconomic security are included as individual Fundamental Rights: equality before the law, prohibition of discrimination on the grounds of religion, caste, sex, place of birth, equality of opportunity in public employment and abolition of

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65 Indian National Trade Union Congress
66 Hindu Mazadoor Sangha
67 United Trade Union Congress
68 Bharatiya Mazadoor Sangha
69 Centre of Indian Trade Unions
untouchables. The right against exploitation was stipulated through the prohibition of traffic in human beings and forced labour and prohibition of children in factories. In addition to Fundamental Rights, the Constitution includes Directive Principles of State Policy referring to the state’s responsibility in ensuring a social order for the promotion of welfare of the people and securing adequate means of livelihood. It is stipulated in these Principles that the health and the strength of workers be safeguarded and children protected from exploitation.70

Furthermore, the Directive Principles also includes the right to work, access to elementary education, public health and nutrition, and to public assistance in certain cases such as unemployment, old age, sickness and disablement. Provision of just and humane conditions of work and maternity relief is also within the ambit of the Directive Principles as is free and compulsory education. The Directive Principles further state that the economic interests of scheduled castes and scheduled tribes be promoted. It is evident that the Constitution and Directive Principles together set forth a vision that is in consonance with socio-economic security in the sense of “Freedom from Want” stressed by the Beveridge Committee Report. Thus, the Constitution of India did provide the scaffolding for the provision of social security in the country. However, the provision was not considered a fundamental right, presumably in view of the practical difficulties in implementing them. Nonetheless, it is amply clear that the provision of socio-economic security was considered an important obligation that the government had to fulfil in ensuring equality and social justice for the deprived sections of the population. The implementation of the vision enshrined in the Constitution depended on the policies that the governments at the central and state levels followed in subsequent years.71

The Directive Principles of State Policy contain directions aimed at physical, social and moral improvements of Labour. Art 41 seeks to make effective provisions for securing public assistance in case of unemployment, old age, sickness, disablement and other cases of under served want. The Five year plans, that followed enactment of Constitution, have emphasised the need for Social Security Schemes to achieve the desired result.

71 ibid
2.6. The five year plans on Social Security

The First Five Year Plan\(^{72}\) in the following terms had two main objectives:

1) A better standard of life for the people and
2) Social justice.

The objectives of the Plan reflect the idealism of the community and are derived from the Directive Principles of State Policy embodied in the Constitution. While the first two plans\(^{73}\) outlined the schemes of social insurance to cover a limited number of urban wage-earners, the Third Plan sought to break new ground of social assistance.

The Third Five Year Plan (1961-1966) states: It would be desirable to make a modest beginning in respect of three groups of persons, the physically handicapped, old persons unable to work, and women and children, where they are altogether lacking in the means of livelihood and support. Assistance for them will have to come from voluntary and charitable organisations, municipal bodies, panchayat samitis and panchayats and voluntary organisations. With a view to enabling these organisations to develop their activities with the help of local communities and giving them a little support, it might be useful to constitute a small relief and assistance fund. Regarding the welfare funds the Third Five Year Plan states that “special welfare funds have been constituted for financing welfare measures for workers in the coal and mica mining industries. They are meeting very real needs. Similar funds are proposed to be created for workers in the manganese and iron ore mines”.

The Fifth Five Year Plan (1974-1979) found that “stray progress is being achieved in social security measures”. It reiterated the suggestion of the Committee on Perspective Planning appointed by the Employees’ State Insurance Corporation that the Employees’ State Insurance Scheme should carry out a 5-year phased programme of extension of additional categories of establishments, including smaller factories, shops and commercial establishments, mines and other establishments. The Plan also stated that the scope for integrating certain important social security measures is being studied.

\(^{72}\) The Planning Commission was set up in March, 1950 by a Resolution of the Government of India, the period of five years from April, 1951 to March, 1956.

\(^{73}\) Second Five Year plan, the period of five year from April, 1956 to March, 1960.
The Sixth Five Year Plan (1980-1985) report marked the progress made in the social security scheme in India. It recommended that the provident fund scheme should be gradually extended to smaller establishments and to rural areas. Similarly, effort should be made to remove the difficulties of limitation of financial and physical resources of the State Governments and to extend the coverage to new areas. The planners also suggested that as “welfare and social security service overlap in areas of medical care and income security during sickness and disability, it will be conducive to efficiency and economy if services in such common areas can be integrated”.

In the Seventh Five Year Plan (1985-1990), the main thrust was on implementation of the National Policy on Education (NPE), which was formulated in 1986 and revised in 1992. The National Literacy Mission was launched in 1988 in pursuance of this policy. A main feature of union government policy for education has been the provision of free education, which implies exemption from fees in elementary schools though other expenses amount to a considerable amount. Subsidies for school feeding programmes and several centrally sponsored programmes such as Operation Blackboard have been the main features, as far as elementary education is concerned. In the case of health, the National policy on Health announced in 1983 set the tone for various measures aimed at achieving Health for all by the year 2000.

The Eighth Five Year Plan (1992-1997) gave considerable importance to enhancing social capabilities in pursuance of the objective of human development, which was considered the ultimate goal of the Plan.

The Ninth Five Year Plan (1997-2002) spoke about the possibility of setting up of a separate Department of Social Security within the Ministry of Labour with a strong Research and Development wing to facilitate and accelerate the development process and achieve extension of social protection to all sections of the working population.

74 The first National Health Policy of 1983 was a response to the commitment to the Alma Ata Declaration to achieve “Health for All by 2000”. It accepted that health was central to development and had a focus on access to health services, reiterated the resolution of taking health services community and ensuring cooperation of the community. It recognizes nutrition, prevention of food adulteration and maintenance of the quality of drugs, water supply and sanitation, environmental protection; immunization programme, maternal and child health services, school health programme, and occupational health services as priority attention for inputs required for improved health care. Also calls on for re-orientation of the existing health personnel and inclusion of various systems of medicine and health care at the appropriate levels, within specified areas of responsibility and functioning, in the over-all health care delivery system, specially in regard to the preventive, promotive and public health objectives.
would be explored. The Ninth Five Year Plan recognizes that a large number of people in India live in acute poverty. The consumer expenditure data of the 55th Round on a 30 day recall basis yields the poverty ratio for 1999-2000 of 27.09 percent in rural areas, 23.62 in urban areas and 26.1 percent for the country as a whole. The corresponding figures from the seven day recall period was 24.02 percent in rural areas, 21.59 percent in urban areas and 23.33 percent for the country as a whole.

**The Tenth Five Year Plan** (2002-2007) has extensively dealt with the social security. It has emphasized the need to develop social security programs, particularly pension programs for the unorganized sector in a phased manner during the plan period itself.

**The Eleventh Five Year Plan** (2007-2012) considering the achievements made by the ESIC\(^{75}\) and the EPFO\(^{76}\) in providing institutionalized social security cover to a majority of the workers in the organized sector has recommended that an attempt would be made to widen their coverage and strengthen them. To cover more number of beneficiaries, measures should be taken to enhance the capability of these institutions to cope with the workload. To reduce harassment and corruption in these institutions, the government will strive to streamline the delivery system in these institutions.

**Twelfth Five Year Plan** (2012-2017), for growth to be inclusive it must create adequate livelihood opportunities and add to decent Employment commensurate with the expectations of a growing labour force. India’s young age structure offers a potential demographic dividend for growth, but this potential will be realized only if the extent and quality of education and skill development among new entrants to the workforce is greatly enhanced.

With the support of consecutive five year plans and with the help of the Directive Principles of State Policy, in pursuit of objectives of Social Security and keeping in view the recommendations of Rege Committee, the Government of India has enacted/amended many legislations for the social security of working class in India.

\(^{75}\) Employees State Insurance Corporation  
\(^{76}\) Employees Provident Fund Organisation