CHAPTER-IV

SOCIAL SECURITY AND THE LAW

4.1 Introduction

Law means the rules and regulations that govern social conduct. If there is no law to regulate the conduct in any society or in any part of the world, even a game will soon turn into a brawl.

In order to protect and enforce the rights of especially the weaker sections of the society, the need to have laws become much more important, without which they would be leading a mere animal existence and not a dignified life. As the civilisation has dawned and the development of sciences have reached much higher levels whereby the local has become global and the global has become local, the recognition and enforcement of human rights have gained prominence.

In every State, irrespective of the form of government, there are various legislations for providing and ensuring Social Security. In India there are legislations, both by the Parliament and the respective State Legislatures to provide Social Security to the weaker section of people in the society. Even during the turn of the millennium, the protection that could be provided by the various laws enacted in India was only to about 9 per cent of the working people in the organized sector such as factories and other establishments and no effective protection could be extended to the workers in the unorganized sector. Hence,
there is a strong need and necessity to extend the facilities to the workers in the unorganized sector\textsuperscript{1}.

We have many labour laws in our statute books. All of them are not applicable, and were not intended to be applicable to the employments in the unorganized sector. But none of the laws that form the base of the Social Security system covers the whole of the unorganised sector even the recently enacted Unorganised Workers Social Security Act, 2008.

4.2 Social Security and the Law

The object of both Social Security and of the Law is common. While the later is all comprehensive the former relates to smaller and well defined class of the society. The object of Law is to ensure, preserve and protect peace and harmony in the society. The object of Social Security is to ensure a protective atmosphere to the weaker and vulnerable sections of the society so as to make them be able to lead a dignified life on par with others in the society.

The Social Security Laws aim at providing safety to man from various contingencies or unseen risks and which are found in all the ages and in all the countries. The concept of Social Security is as old as the history of mankind itself and in every society are found men craving for Social Security. In early period society or religious institutions or rulers made attempt with their little resources tackled the problems relating to Social Security. Social Security is provided by

\textsuperscript{1} Employment–Unemployment Survey Data of NSS 55\textsuperscript{th} Round, 1999-2000
institutional and non-institutional agencies. Also in olden days the joint family, the guilds, the caste based and community based bodies provided some sort of security for certain contingencies whenever and wherever required by the happening of unseen occurrences due to various factors, natural or human, depending upon their capacity though it was not in systematic manner.

Now the situation is quite different in the present days where due to Globalisation the joint family system is disintegrated or family ties are broken, the guilds and caste based organisations have lost their hold on their members; there is migration of family members to different places in search of employment and also for their individual safety at times; religious institutions are being attacked by other religious of by so called radicals who believe in atheism leading to communal tensions, loss of human lives and creating peculiar insecurities to certain members of the society; etc. Such change in the society has prompted the government to take up better Social Security measures.

The establishment of International Labour Organisation has strengthened the public opinion in favour of providing Social Security measures based on the principles of securing universal peace and social justice. During the earlier part of 20th century in India there were mainly two Social Security enactments viz., Workmen’s Compensation Act, 1925 and Employees State Insurance Act, 1948 which gave protection or security to the industrial workers in various contingencies such as industrial injuries and provided medical maternity and funeral benefits etc.
The ILO Publications and Beveridge Report on Social Insurance and Allied Services of England also had a reasonable impact on the Social Security programmes in India. Though the ILO was established long back in the year 1919 it could not influence the Government of India in passing Social Security laws because at that time the British were ruling the country. The Indian Trade Union Movement was also very weak and unable to bring pressure on the Government for the enactment of important Social Security laws for the benefit of the poor, weaker and unorganized people.

The Social Security Laws are not systematically developed and efforts were not made by the earlier Governments, the result is exploitation injustice and insecurity to the working class. When the situation with regard to industrial workers on Social Security laws is so gloomy, anybody could imagine the position of unorganized workers to whom the Social Security law is completely nil. The development of Social Security law in any country depends upon many factors like social, political, economical, religious, pressures of trade unions, technical assistance and international support etc.

4.3 Social Security Legislations in India

The Constitution of India provides basis for enactment of social security legislations by both the Parliament and the State. Following are the principal social security laws enacted in India:
The Employees’ State Insurance Act, 1948

It covers factories and establishments with 10 or more employees and provides for comprehensive medical care to the employees and to their families in the form of cash benefits also during sickness and maternity and monthly payments in case of death or disablement.

The Employees’ Provident Funds & Miscellaneous Provisions Act, 1952

It applies to specific scheduled factories and establishments employing 20 or more employees and ensures terminal benefits to provident fund, superannuation pension, and family pension in case of death during service. Separate laws exist for similar benefits for the workers in the coal mines and tea plantations.

The Employees' Compensation Act, 1923

It requires payment of compensation to the workman or his family in cases of employment related injuries resulting in death or disability. The Workmen Compensations Act, 1923 provides for the payment of compensation to workmen for injuries sustained in accidents. After the amendments effected in 1995, the Act has 4 Schedules. Schedules I provide a list of injuries with percentage of disablement (loss of earning capacity). If the injury is not a schedule injury, the loss of earning capacity has to be proves by evidence. The majority of the workers who are not insured under the ESI scheme are covered under The
Workmen Compensation Act. The Act does not apply to those who are employed in occupations enlisted in the Schedule II. Nor is relief available if the injury has taken place when the injured worker was not actually engaged in discharging duties related to the employer’s trade or business. The employer is liable to provide monetary compensation to the worker or depended in case of death or disablement provided it occurs out of and in the course of employment. An occupational disease listed in Schedule III of the Act is also accepted as an accident that occurred while on duty. The burden of proving that the accident arose out of employment is upon the workers.

The method of claiming compensation for disability is so long and torturous that one rarely gets the compensation to which one is entitled but law. Any qualified medical practitioner can certify the case, and the victim can file a claim in the court of the workmen’s compensation commissioner with a copy to the employer. The workmen’s compensation commissioner decides the case, and the revenue department recovers the amount of compensation. But workers, who are in the unorganised sector, often find it very difficult to prove who is their employer, and as a result cases are prolonged, and often workers die without receiving any compensation.

The Workmen’s Compensation (Amendment) Act, 2000 that came into effect in December 2000 provided for compensation even to casual workers. The minimum amount of compensation for death has been enhanced from Rs.50,000 to Rs.80,000 and for total disablement from Rs. 60,000 to Rs 90,000. The ceiling
on monthly wage/salary reckoned for determining the compensation amt has also been increased from Rs. 2000 to Rs.4000. The amt of funeral expenses payable has also been increased to Rs. 2500 from Rs.1000.

**The Maternity Benefit Act, 1961**

It provides for 12 weeks wages during maternity as well as paid leave in certain other related contingencies.

**The Payment of Gratuity Act, 1972**

It provides for 15 days wages for each year of service to employees who have worked for five years or more in establishments having a minimum of 10 workers.

**The Factories Act, 1948**

The Factories Act, 1948 is designed to protect the workers in the factories. The Act has undergone various amendments from time to time. The main object of the Act is to ensure adequate safety measures and to promote the health and safety of the workers and further, deal with benefits and welfare facilities and health, safety and hygiene inside the factory premises. Provisions regarding health of the workers relate mainly to cleanliness, disposal of wastes and affluent, ventilations, control of temperature. Elimination of dust and fumes, artificial humidification, overcrowding, lighting, drinking water facilities, latrines, urinals and spittoons.² Besides, every factory has to make effective arrangements to provide and maintain a sufficient supply of wholesome drinking water for all

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² Section 11 to 20, ‘The Factories Act, 1948.’
workers employed therein; and where 250 or more workers are working, employers are required to provide cool drinking water in hot weather. Provision regarding safety of workers relate to the fencing of machinery, easing of new machinery, testing and examination of appliances and plants such as hoists, lifts, cranks, chains and pressure plants, supply of safety appliances to workers, precautions against dangerous fumes and in case of fire etc. The Act also lays down the conditions under which young persons and women may be employed.

Provision regarding welfare facilities covers such items as washing facilities for storing and drying clothes, facilities for sitting, first aid appliances, canteens in case of factories employing over 250 workers, suitable shelters or rest rooms, lunch rooms. The Act also grants power to state governments to make rules requiring the representative of workers in any factory to be associated with management in regard to welfare factory to be associated with management in regard to welfare arrangement of the workers. The implementations of the Act are under the jurisdictions of the State Governments. It is enforced through the Factory Inspectorates. Any worker can complain to the Inspector about conditions inside the factory, and the source from which the complaint has come is not supposed to be disclosed unfortunately, the implementations mechanism of the Act is unsatisfactory. Each factory inspector has more than a thousand factories

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Section 18(1), *The Factories Act, 1948.*

Section 18(3), *The Factories Act, 1948.*

Section 21 to 41 *The Factories Act, 1948.*


Section 42 to 48, *The Factories Act, 1948.*

Section 50(b), *The Factories Act, 1948.*
under him. These infrastructural facilities available to him are totally inadequate.

This Act, in its updated form, has a very broad definition of ‘worker’. However contract and ad hoc workers do not get the benefits given to permanent workers. It imposes restrictions on employment of women during the night, especially the period between 7.00 p.m. to 6.00 a.m.

There are also restrictions of daily working hours for men and women in factories. Sections 23 and 27 of the Factories Act prohibit women from handling dangerous devices. However, all these provisions are not applied in practice for a section of the workers. Moreover, the Act is applicable only to manufacturing units, organised as factories. The provisions of this Act do not apply to the vast masses of workers in the unorganised sector employed in smaller manufacturing units and other sectors.

**Contract Labour (Regulation and Abolition) Act, 1970**

It regulates the employment of contract labour in certain establishment and provides for its abolition in certain circumstances. The Act is applicable if the principal employer engages twenty or more contract workers in an establishment. The contractor who employs twenty or more workers in his contract work will be covered under The Contract Labour (Regulation and Abolition) Act, 1970. The Act provides for the registration of all establishments of Principal Employers and licensing of all contractors. There is a special provision for the abolition of the
contract system if certain conditions are met, like jobs being of perennial nature and connected with the core business of the principal employer.\textsuperscript{9}

There are a number of provisions in the Act for the welfare and safety of contract labour.\textsuperscript{10} There shall be provided and maintained by the contractor so as to be readily accessible during all working hours a first aid box equipped with the prescribed contents at every place where contract labour is employed by him.\textsuperscript{11} For regulating its implementation, certain registers, records, returns etc. are to be maintained by the principal employers and contractors.

Penalties have been prescribed for those who violate the law. This Act is meant for unorganised labour. But its scope is very limited. The limitations in the law are such that the contractor stands to gain if he engages less than twenty workers. This provision provides a loophole for all manner of manipulations by employers and contractors. Therefore, it can be seen that the coverage that this Act provides is far from satisfactory.

**Building and other Construction Workers’ (Regulation of Employment and Conditions of Service) Act, 1996**

It aims at providing safe and healthy atmosphere to the building and construction workers at their work place. A fund was created with the revenue from cess collected from the employers and the contributions from the workers. Benefits under this Act include assistance in cases of accident, payment of

\textsuperscript{9} Section 10, ‘Contract Labour (Regulation and Abolition) Act 1970.’

\textsuperscript{10} Chapter-V, Section 16 to 21, ‘Contract Labour (Regulation And Abolition) Act 1970.’

\textsuperscript{11} Section 19, ‘Contract Labour (Regulation And Abolition) Act 1970.’
pension, house building loans, assistance for group insurance schemes, education of children, maternity benefits for female beneficiaries and so on. There are provisions for regulating working hours, welfare measures and other conditions of service. The law also prescribed safety and health measures and all other precautions that are required for safe working, e.g. safety devices for installation work, demolition work, excavation, underground construction, handling measures, proper ladders, rope and fencing etc. Inspections and penalties are provides for.

In actual practice the provisions of this Act are beneficial only to the skilled workers and those who work continuously in the industry. Unskilled workers, who do not work with a construction establishment continuously, may not get the benefits available under the Act. It will not be possible for those unskilled, uneducated and purely casual workers to make regular, timely contributions to fund as per the provisions of the law.

**Dock workers’ (Regulation of Employment) Act, 1948**

The Act and the scheme are social legislation enacted for the purpose of the welfare of the dock workers. The Act inter alia, empowers the Central Government in the case of major ports and the State Governments in the case of other ports, to frame laws for the registration of dock workers in order to ensure greater regularity of employment. Such scheme may provide for the satisfactory regulation of a variety of subject connected with the conditions of life and work of the workers, such as their recruitment, conditions of employment training and
welfare. Provision has been made in the Act for the setting up of training and welfare centres.

Provisions has also been made in the Act for the setting up of a tri-partite Advisory Committee consisting of not more than 15 members representing govt, dock workers and their employer in equal proportion, to advise govt in the administration of the Act or any scheme formulated there under.\textsuperscript{12} Provision has also been made for the appointment of Inspectors for the purpose of the Act.\textsuperscript{13}

Under the Act, Dock workers Regulation of Employment Scheme have been framed for dock workers in the ports of Bombay, Calcutta and Madras. Tripartite Dock Labour Boards have been appointed in these ports.\textsuperscript{14}

The Dock Workers (Regulation of Employment) Act was amending in March 1962. The main provision in the amending Act relates to (a) the registration of employers and charging a registration fee from them; (b) the constitution of dock Labour Board to Administer the Scheme ; (c) the appointment of auditors; and (d) the representation of shipping interest on the Dock Worker’s Advisory Committees.\textsuperscript{15} In respect of ports and dock, one committee, appointed by the Government of India in 1964 came to the conclusion that facilities available to the workers were inadequate and even those limited facilities were not maintained properly nor were they used by the workers with the needed care.

\textsuperscript{12} Section 5, ’The Dock Workers’ (Regulation of employment) Act, 1948.’
\textsuperscript{13} Section 6, ‘The Dock Workers’ (Regulation of Employment) Act, 1948.’
\textsuperscript{14} Section 5 A, ‘The Dock Workers’ (Regulation of Employment) Act, 1948.’
Minimum Wages Act, 1948

The Minimum Wages Act, 1948 is the most important legislation that has been enacted for the benefits of unorganised labour. It was enacted for fixing, reviewing and reviving the minimum rates of wages in the scheduled employments where workers are engaged in the unorganised sector. Under section 3 of the Act, the appropriate Government has been empowered to fix the minimum rates of wages payable to employees employed in the scheduled employments and in an employment added to either Part I or Part II of the Schedule by notification under section 27. The Minimum Wages Act is meant to ensure that the market forces and the laws of demand and supply are not allowed to determine the wages or workmen in industries where workers are poor, vulnerable, unorganised and without bargaining power. The minimum rates of wages are fixed, keeping in view the minimum requirements of a family, and wages at these rates are to be paid by all employers irrespective of their capacity to pay.

The Appropriate Government is empowered under Sections 13 of the Act to fix the number of hours per day. Besides, provision has been made for weekly holiday and payment of overtime wages etc. In regard to any scheduled employment in respect of which minimum rates of wages have been fixed under this Act.

The Act helps unorganised workers who are working in the scheduled employments. But nearly 60% of the workforce in the unorganised sector is self-
employed or home-based. Thus, they remain outside the purview of The Minimum Wages Act, 1948, although they constitute the majority in the sector.

**Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 regulates the payment of wages to certain classes of employed persons. The main purpose of act is to ensure regular and prompt payment of wages and to prevent the exploitation of wages earners by prohibiting arbitrary fines and deduction from wages. The Act was subsequently amended in 1957, 1962, 1964, 1967, 1976 and 1982 in order to extend its various provisions and coverage. By virtue of the amending Act of 1982 the wage limit was raised to cover persons drawing less than Rs 1600 per month.

It ensures the correct and timely payment of wages and ensures that no unauthorized or arbitrary deductions are made. This Act applies to person employed in factories mines, oil fields, railways and various other establishments specified in the Act. However because of the wages limit of Rs. 1600 for the purpose of applicability of the Act 95% of the unorganized workers are excluded from the coverage of the Act. The Act is not applicable to self-employed/ home-based workers, as they are not persons employed in the category of establishment mentioned in the Act. It does not; therefore protect a large number of workers in the unorganized sector.
The Mines Act, 1952

The Mines Act, 1952 was enacted to amend and consolidated the law relating to the regulation of labour and safety in mines. The Act extends to the whole of India and it aims at providing for safe as well as proper working conditions in mines and certain amenities to workers employed therein. Elaborate provisions have been made in the Act for safeguarding the health and safety of workers and for promoting their welfare. In every mine where more than 150 persons are employed, a first aid room under the charge of medical and nursing staff is to be provided and maintained. In every Mine effective arrangements shall be made to proved and maintain at suitable points conveniently situated a sufficient supply of cool and wholesome drinking water for all persons employed therein. For the safety of the workers there are provisions for conveyance and use of explosives; safety of the roads and working places in mines; ventilation, lighting and fencing Preventing measures against inflammable gases are to be taken. Provision has also to be made for adequate safeguard of persons working underground and for periodical examination of shafts, inclines and outlets to the surface. Provision has been made in regard to hours and limitation of employment. No person shall be allowed to work in a Mine on more than six days in any one week. No adult employed above ground in a mine shall be required or allowed to work for more than forty eight hour in any week or for more than nine

16 Section 21(5), ‘The Mines Act, 1952.’
17 Section 19(1), ‘The Mines Act, 1952.’
hours in any day.\textsuperscript{19} Where in an mine a person works above ground for more than nine hours in any day or works below ground for more than eight hours in any day, or works for more than forty eight hours in any week whether above ground or below ground, he shall in respect of such overtime work be entitled to wages at the rate of twice his ordinary rate of wages, the period of overtime work being calculated on a daily basis or weekly basis, whichever is more favourable to him.\textsuperscript{20}

Though comprehensive, the Act did not break new ground, since it paid more attention to safety measures and provisions of medical facilities in the nature of first aid rather than any comprehensive medical aid to workers.

\textbf{Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.}

The vast majority of migrant workers fall in the unorganised sector. Workers are recruited from various parts of a State through contractors or agents commonly known as `Sardars`, generally for work outside the State wherever construction projects are available. This system lends itself to various abuses. The promises that contractors make at the time of recruitment about higher wages and regular and timely payment are not usually kept. No working hours are fixed for these workers and they have to work all days in the week under extremely bad,

\textsuperscript{19} Section 30, `The Mines Act, 1952.'
\textsuperscript{20} Section 33(1), `The Mines Act, 1952.'
often intolerable working condition in inhospitable environments. The provisions of various are often subjected to various forms of malpractices.

It was enacted to regulate the employment and condition of service of inter-state migrant workers. The benefits included non-discrimination in wage rates, holidays, hours of work and other conditions of work for inter-State migrant workers in relation to local workers. They are eligible for a non-refundable Displacement Allowance equal to 50% of their monthly wages in addition to the wages.\textsuperscript{21} A journey allowance, equal to rail fares both ways, is to be paid by the contractor with wages during the period of journeys.\textsuperscript{22} Other provisions include regular payment of wages, equal work to both men and women workers and provisions for suitable conditions of work, suitable residential accommodation, adequate medical facilities and adequate protective clothing and equipment.\textsuperscript{23} In case of accidents, there is a provision to ensure intimation to the authorities of both the State (Home State and Host State) and to the next of kin.

“Inter-State migrant workman” is defined under Section 2(e) of the Act. It means “any person who is recruited by or through a contractor in one State under an agreement or other arrangement for employment in an establishment in another State, whether with or without the knowledge of the principal employer in relation to such establishment”. According to this definition, we find that all migrant

\textsuperscript{21} Section 14, ‘Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979.’
\textsuperscript{22} Section 15, ‘Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979.’
\textsuperscript{23} Section 16, ‘Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979.’
workers (who are generally unorganised workers) are not Inter-State Migrant Workers as defined by law, and cannot, therefore, enjoy the benefits of the ISMW Act. To prove in Court that the Act is applicable is very difficult, as employers deny that workmen were recruited from another State (Home State) by any of their contractors. They often contend that the workers were recruited from nearby places within the state where the industry is located. Thus, the Act is only of very limited benefits to workers in the unorganised sector.

It looks anomalous that unorganised workers can receive the limited benefits of the existing labour laws only if they happen to work for employers, in other words, if there is an employer-employee relationship. None of these labour laws can provide protection to the vast majority of unorganised workers who are self-employed or home-based or to other workers who are employed in enterprises where the number of employees does not reach the threshold prescribed by the Acts

The Unorganised Sector Workers (Employment and Welfare) Bill 2003

The unorganised sector accounts for over 90% of our workforce. Their percentage is likely to increase. They are as entitled to protection and welfare/security as workers in the privileged sector of the workforce. The laws that exist today hardly touch the workforce in the unorganised to cover workers in this sector. There is a wide variety of employments in this sector. Conditions vary, levels of organisation vary. The nature of the relation with employers varies.
There is an expanding sector of those who are self-employed, or are on contract, and work from home. It is difficult to have separate laws for each employment. This will only result in endless multiplication of laws, and oversight of one or the other of the employment. An Umbrella legislation that covers whatever is basic and common and leaves room for supplementary legislation or rules where specific areas demand special attention.

The Umbrella legislation for the unorganised sector workers’ employment and welfare should be seen as an enabling legislation that will lead to the growth of the economy, improve the quality of employment, provide a decent life to the workers and integrate them with the growing opportunities in the country. The essence of the proposed Umbrella legislation is removal of poverty of the working population of India through improving their productivity, quality of work enhancing income earning abilities and increasing its bargaining power.\(^{24}\)

This Bill is the reaction of the Indian ruling classes, to the present crisis. The Bill is the logical outcome of the Second National Labour Commission’s recommendations, an Act to consolidate and amend the laws relating to the regulation of employment and welfare of workers in the unorganised sector in India and to provide protection and Social Security to these workers.

The objectives of the Unorganised Sector Workers (Employment and Welfare) Bill are: (1) to obtain recognition of all workers in the unorganised sector, (2) to ensure a minimum level of economic security, (3) to ensure a

\(^{24}\) Report of the Second national commission on Labour, 2002 p.766(i)
minimum level of Social Security, (4) to expedite removal of the poverty of these workers through their work, protecting their means of employment and income, (5) to ensure future opportunities for children by progressive elimination of child labour, (6) to ensure equal opportunities of work, for men and women workers.


It provides that “Unorganised Sector Workers’ Central Board’ refers to that Central level apex board. It will be constituted by the Central Government for the effective implementation of the provisions of this Act and to co-ordinate function under this Act at the national level. Section 4 (2) provides that “State Board” means the state level apex Board. These may be called “Unorganised Sector
Workers Board”. The Government will constitute the State Board. The State Board will coordinate function in at the State or Union territory level of other employment-specific State Welfare Board.

The Bill provides that each worker on registration will be given a registration number and a permanent identification number fee. It shall have the details of his person, name, address, work wages/income, Social Security entitlements and his photographs. The permanent identification number will be valid all over India. The State Board will decide the System of raising funds in consultation with its subordinate lower boards for different classes of worker.\textsuperscript{25}

The Central and State Board will raise funds by way of contribution, cess, assistance, and grant from government through budget allocation or donation from employment providers, Private Sector, workers and other legally permitted sources. The Central Board and State Boards shall plan management of funds efficiently.\textsuperscript{26}

The Bill, 2003 does nothing more than extending the existing laws which have never been implemented in real life till now. Bill, 2003 does not deal with the regulation of employment of unorganised workers. There is no provision whatsoever for protection of jobs or for employment guarantee. Not only does it not say anything about any uniform national floor-level minimum wages. It does not go a single step beyond the existing mechanism of the Minimum Wages Act.

\textsuperscript{25} Section13 (1), Unorganised Sector Workers (Employment and Welfare) Bill, 2003.

\textsuperscript{26} Section13 (2), Unorganised Sector Workers (Employment and Welfare) Bill, 2003.
There are only provisions and promises for social security. But nothing concrete is spelt out.27

The draft Bill proposed by the NCL contained nothing more than an elaborate structure of Boards from the Central to the panchayat level, registration of the unorganised sector workers and issue of identity cards. It contained nothing concrete to ensure job protection, minimum wages and Social Security for them. No responsibility was fixed on the Government to contribute for their Social Security.28 It may be observed that the Bill, 2003 need to be modified to give protection to unorganised workers.

The National Rural Employment Guarantee Act, 2005

Recently, the parliament has passed the historical National Rural Employment Guarantee Act, 2005 that guarantee 100 days of wage employment in a year to every rural household whose adult members are willing to do unskilled manual work. The Act will be notified in the districts identified by the Central Govt starting from 2nd Feb, 2006 in the First phase initially; the Act will be in operation in 200 districts and will be extended to the whole country by 2010.

The new employment guarantee Act provides indispensable lifelines to the millions of poor in the rural areas of the country. This Social Security measures

27 www.googlr.com, s. Kumaraswamy, Decoding the Unorganized Sector Workers Bill, 2003.’
for the first time makes the right to work a fundamental right - a new radical deal for India’s poor.

This landmark legislation was passed by the Lok Sabha on Aug 23 and the Rajya Sabha on Aug 24, 2005. The Bill drafted after wide consultations fulfils a major promise of the UPA’s National Common Minimum Programme. The legislation had received wide support among political parties, social movements and the public at large.

Intervening in the debate on Bill in the Rajya Sabha, Prime Minister Dr. Manmohan Singh argued for rationalizing subsidies, improving the investment climate and accelerating the pace of industrialization to maintain the economic growth of seven to eight percent to fund schemes such as Rural Employment guarantee which was described as the most important piece of legislation in independent India. It marks a new beginning in the efforts for social equity and justice. He hoped that in the next four of five years it would cover all rural districts.  

Dr. Manmohan Singh said this legislation will give bargaining power to the poorest of the poor and help those belonging to the scheduled castes, Scheduled tribes, landless class and women. Village panchayats would play a pivotal role in the implementation of the National Employment Guarantee Scheme and money

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would not be a constraint in accomplishing the commitments made by the UPA Govt in this regard. One third of the proposed jobs would be reserved for women.

The Centre has taken responsibility to provide financial assistance to the scheme and the States have to implement it. The minimum wages as applicable in various States under the Minimum Wages Act, 1948 would apply to the programmes. However, the Centre would ensure a minimum rate of not less than Rs. 69 a day in every state, where it was lower.30

The minimum wages offered for manual work in the each State varied from Rs. 100 to Rs. 200. The Act also provides for unemployment allowance if the job, under the scheme, is not provided within a specified period. The UPA government has already made available about Rs. 10,000 crores for implementation of the scheme in the current financial year.31

Under this Act each household is entitled for 100 days of work in a year. Within the household entitlement, all adult members of a rural household have the right to demand employment. In order to avail benefit under this Act one has to register for rural household for Wage Employment and obtain a Job Card upon submitting an applicant to the concerned Gram Panchayat or the Programme Officer. Women will get priority to the extent that one-third of person who are given employment are women who have asked for work.

30 Ibid.
In spite of the existence of these beneficial laws, the benefits and facilities prescribed under these laws are denied to them in most cases. It can be said that more than 90% of our workforce does not enjoy the minimum protection and security that they need. This is a situation which should shame all those who talk of care and commitment to the rights and welfare of labour, as well as all those who bear responsibility for ensuring the rights and welfare of the people in the society.

4.4 Central Social Security Schemes

The Central government is required to make necessary law for all the subjects specified in the Central List (List-I) and also of those specified in the Concurrent List (List-III) in Schedule VII of the Constitution. The subjects relevant to this thesis over which the Central government has to make law are as under:

List-I

<table>
<thead>
<tr>
<th>Entry No.</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>Regulation of labour and safety in mines and oil fields</td>
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<td>57</td>
<td>Fishing and fisheries beyond territorial waters</td>
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<tr>
<td>65</td>
<td>Union agencies and institutions for professional, vocational or technical training and the promotion of special studies or research</td>
</tr>
</tbody>
</table>

List-III
<table>
<thead>
<tr>
<th>Entry No.</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Economic and social planning</td>
</tr>
<tr>
<td>23</td>
<td>Social Security and social insurance; employment and unemployment</td>
</tr>
<tr>
<td>24</td>
<td>Welfare of labour including conditions of work, provident funds, employers’ liability, workmen’s compensation, invalidity and old age pensions and maternity benefits</td>
</tr>
<tr>
<td>28</td>
<td>Charities and charitable institutions, charitable and religious endowments and religious institutions</td>
</tr>
<tr>
<td>36</td>
<td>Factories</td>
</tr>
</tbody>
</table>

Several schemes have been evolved in India through legislations and policies to provide Social Security to the workers in the unorganised sector. Some of the important schemes are as under:

**Integrated Rural Development Programme, Rural Group Life Insurance Scheme**

It was introduced in 1995 in which insurance is available between ages 20-60 years for an assured amount of Rs. 5000 with a premium of Rs. 60 per annum. However, the programmes in the scheme have not been very satisfactory all over the country and required revamping by undertaking effective publicity.\(^{32}\)

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Old Age Pension Scheme

It is another Social Security measure exists in almost all States in India, which is a monthly pension ranging between Rs 50 to Rs.100 and is applicable to the people whose income does not exceed the maximum slab prescribed. However, many of the old aged people who are eligible for pension under the scheme are not aware about the same as such are deprived of the benefit. These schemes can be implemented properly through the local authorities by identifying the needy beneficiaries.33

The life Insurance Corporation of India has introduced a variety of group Insurance Schemes and saving schemes to cover members of co-operative societies and trade or occupational associations.

National Agricultural Insurance Scheme

It was launched in June 1999. The scheme provides insurance cover to all farmers, irrespective of the size of holding and covers almost all crops. The premium rates are also very less and the scheme also has a provision of 50 percent subsidy on the premium, amount for small and marginal farmers. In case of failure of crops due to calamities such as cyclones, flood, hail-storm landslip etc. the affected person would be entitled to payment of insurance according to indemnity rates prescribed. The scheme provides for constitution of a separate organisation

33 Ibid.
for its administration such as *Bharatiya Krishi Bhima Nigam (Indian Agricultural Insurance Corporation).*\(^3^4\)

**Krishi Shramik Samajik Suraksha Yojana**

It was launched in July, 2001 for giving Social Security benefits to agricultural labourers on hire in the age group of 18 to 60 years.\(^3^5\) The response to this scheme is very encouraging. This is a Social Security scheme providing for life-cum-accident insurance, money back and superannuation benefits. If this is to be extended to cover about 200 million agricultural workers, the government exchequer will have to contribute Rs. 400 million per day. That amount to Rs.14, 600 crores per year.\(^3^6\)

**Shiksha Sahayog Yojana**

It provides for educational allowance of Rs. 100 per month to the children of parents living below the poverty line for their education from the 9\(^{th}\) to 12\(^{th}\) standard.\(^3^7\)

**Jawahar Gram Samriddi Yojana**

This scheme was launched streamlining and restructuring the earlier Jawahar Rozgar Yojana. The primary objective of this is infrastructure including assets. It will also help create assets to enable the rural poor to increase

\(^{3^4}\) Ibid.
opportunities for sustained development. The scheme will generate supplementary employment for the implemented with the help of village panchayat institutions and they are also empowered to execute work with approval of Gram sabhas. The cost of the programme is shared between Central and the State Governments in the ratio of 75:25. In case of Union Territories the total funding would be done by the centre.\textsuperscript{38}

**Swarnjayanti Gram Swarozgar Yojana (SGSY)**

It was launched with effect from 1st April, 1999 as a result of amalgamating certain erstwhile programmes viz., *Integrated Rural Development Programme* (IRDP), *Development of Women and Children in Rural Areas* (DWCRA), *Training of Rural Youth for Self-Employment* (TRYSEM), *Million Wells Schemes* (MES) etc. into a single self-employment programme. It aims at promoting micro-enterprises and helps the rural poor into *Self Help Groups* (SHG). This scheme covers all aspects of self-employment like organisation of rural poor into SHG and their capacity building, training, planning of activity clusters, infrastructure development, financial assistance through bank credit and subsidy and marketing support etc. The scheme is being implemented as a Centrally Sponsored Scheme on a cost sharing ratio of 75:25 between the Centre and the State.\textsuperscript{39}

\textsuperscript{38} Ibid.

Employment Assurance Scheme

It was started on 2nd October, 1993 for implementation in 1778 identified backward Panchayat Samitis of 257 districts situated in drought prone areas, desert areas, tribal areas and hill areas in which the revamped public distribution system was in operation. It was subsequently expanded by 1997-98 to all the 5448 rural Panchayat Samitis of the country. It was restructured in 1999-2000 to make it a single wage employment programme and implemented as a Centrally Sponsored Scheme on a cost sharing ratio of 75:25.\textsuperscript{40}

Sampoorna Grameen Rojgar Yojana

It was launched during September 2001. The scheme aims at providing wage employment in rural areas and also food security, along with the creation of durable community, social and economic assets. The scheme is being implemented on a cost sharing ratio of 75:25 between the Centre and the State. The ongoing Employment Assurance Scheme and Jawahar Gram Samridhi Yojana would subsequent be fully integrated within the scheme with effect from April 1, 2002.\textsuperscript{41}

Pradhan Mantri Gramodaya Yojana

This scheme was introduced in 2000-01 with the objective of focussing on village level development in five critical areas, i.e. health, primary education,

\textsuperscript{40} Ibid.pp.736-737.
\textsuperscript{41} Ibid. p.737.
drinking water, housing and rural roads, with the overall objective of improving the quality of life if people in the rural areas.

**Pradhan Mantri Gram Sadak Yojana**

It was launched on 25th Dec, 2000 with the objective of providing road connectivity through good all weather roads to all rural habitations with a population of more than 1000 persons by the year 2003 and those with a population allocation of Rs. 2500 crore has been provided for the scheme in 2001-02.

**Pradhan Mantri Gramodaya Yojana**

It was implemented on the pattern of *Indira Awas Yojana* with the objective of sustainable habitat development at the village level and to meet the growing needs of the rural poor.\(^42\)

**Samagra Awas Yojana**

It has been launched as a comprehensive housing scheme in 1999-2000 on pilot project basis in one block in each of 25 district of 24 State and in one Union Territory with a view to ensuring integrated provision of shelter, sanitation and drinking water. The underlying philosophy is to provide for convergence of the existing housing, sanitation and water supply schemes with a special emphasis on

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\(^42\) Ibid., p.737.

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technology transfer, human resource development and habitat improvement with people’s participation. ⁴³

**Food for Work Programme**

It was initially launched during February 2001 initially for a period of 5 months and was later extended. The programme aims at augmenting food security through wage employment in the drought affected rural areas in eight States i.e. Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal. The workers are paid the balance of wages in cash, such that they are assured of the notified Minimum Wages. This programme stands extended up to March 31, 2002 in respect of notified “natural calamity affected Districts” ⁴⁴

**Rajiv Gandhi Shramik Yojana**

It was launched with effect from 1st April 2005. Under this scheme, insured workers who lose their jobs after having contributed to the ESI scheme for five years or more shall be entitled to an ‘unemployment allowance’ in cash. The allowance equivalent to about 50 percent of their wages will be valid for a maximum period of 6 months.

The Government has announced this ambitious scheme to provide Social Security to its million employees, and their families insured under the Employees

⁴³ Ibid., p.738.
⁴⁴ Ibid., p.738
State Insurance Corporation. This was the first time that an unemployment-related benefit scheme was launched in the country.

Under this scheme those availing the ‘unemployment allowance’ (and their families) would also be eligible to receive medical care from ESI dispensaries and hospitals. This medical benefit will extend to 30 million family members of ESIC workers.

The ESIC proposes to meet the expenditure of the scheme out of its existing resources. It is “highly labour friendly” scheme that was launched to provide for a situation where any industrial units and other establishment were closed down for a variety of reasons. During such period of unemployment and till they were able to find alternative employment the economic and social condition of workers and their families became highly vulnerable. The scheme had been floated to provide a sort of a safety net for such workers, the labour minister said.

Recognizing the importance of health in the process of economic and social development and improving the quality of life of people, the then Prime Minister has launched the National Rural Health Mission in 2005 to carry out necessary architectural correction in the basic health care delivery system. The Mission adopts a synergic approach by relating health to determinants of good health viz. of nutrition, sanitation, hygiene and safe drinking water. It also aims at mainstreaming the Indian system of medicine to facilitate health care. The Plan of

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45 The Hindustan Times, March 18, 2005.
46 Ibid.
47 Ibid.
Action includes increasing public expenditure on health, reducing regional imbalance in health infrastructure, pooling resources, integration of organizational structure, optimization of health manpower, decentralization and district management of health programmes, community participation and ownership of assets, induction of management and financial personnel into district health system, and operating Community Health Centres into functional hospitals meeting Indian Public Health Standards in each Block of the country.48

The goal of the Mission is to improve the availability of and across to quality healthcare by people, especially for those residing in rural areas, the poor, women and children. This is an ambitious and new concept of the government as enshrined in its National Common Minimum Programme.

The Mission covers the entire country but gives a special focus in 18 States, which have weak health infrastructure and demographic indicators. The project is basically a strategy for integrating the on-going vertical programmes of Health and Family Welfare. It adopts a sector-wide approach and aims at systematic reforms to enable efficiency in health service delivery. It also subsumes key national programmes like Reproductive and Child Health-II Project, the National Disease Control Programmes and the Integrated Disease Surveillance Project. It will also enable the mainstreaming of AYUSH-Ayurvedic, Yoga, Unani, Siddha and Homeopathy system of health.

While providing a broad framework for operating, the Mission lists a set of core strategies to meet its goals like decentralized village and district level health planning and management, appointment of female Accredited Social Health Activities (ASHA) to facilitate access to health services are finally at the doorstep of every village household and this is expected to transform the health status of the village society and the Nation.49

**Swasthya Bima Yojana**

The workers in the unorganized sector constitute about 93% of the total work force in the country. The Government has been implementing some social security measures for certain occupational groups but the coverage is miniscule. Majority of the workers are still without any social security coverage. Recognizing the need for providing social security to these workers, the Central Government has introduced a Bill in the Parliament. One of the major insecurities for workers in the unorganized sector is the frequent incidences of illness and need for medical care and hospitalization of such workers and their family members. Despite the expansion in the health facilities, illness remains one of the most prevalent causes of human deprivation in India. It has been clearly recognized that health insurance is one way of providing protection to poor households against the risk of health spending leading to poverty. However, most efforts to provide health insurance in the past have faced difficulties in both design and implementation. The poor are unable or unwilling to take up health

49 Ibid.
insurance because of its cost, or lack of perceived benefits. Organizing and administering health insurance, especially in rural areas, is also difficult.

This scheme aims to facilitate launching of health insurance projects in all the districts of the States in a phased manner for BPL workers. In this scheme the contribution by Government of India would be 75% of the estimated annual premium of Rs.750, subject to a maximum of Rs. 565 per family per annum. The cost of smart card will be borne by the Central Government. Contribution by respective State Governments would be 25% of the annual premium, as well as any additional premium. Implementation of this scheme will be by the State Governments.

The persons eligible to avail the benefits under this scheme are unorganized sector workers belonging to BPL category and their family members (a family unit of five) shall be the beneficiaries under the scheme. The beneficiary shall be eligible for such in-patient health care insurance benefits as would be designed by the respective State Governments. The total sum insured would be Rs. 30,000/- per family per annum on a family floater basis.

These are some of the important Social Security Schemes evolved in India to protect the interest of the workers in the unorganized sector.

Apart from the Constitutional mandate, Social Security for all is considered as part of basic Human Rights under the Universal Declaration of Human Rights. Every member nation of U.N.O. must strive to further and promote this basic right. As the study on the subject of Social Security: Unorganized sector reveals,
though many schemes and policies have been evolved both at Central and State level to achieve the said object, the result is not so satisfactory because of non-implementation of the schemes properly. Even though new schemes have been launched in the year 2004 and 2005, if these schemes are not properly implemented, the result would be the same as of the other schemes. To make these schemes, more effective, both governmental and non-governmental organizations must be encouraged. Further, more and more social assistance programme are to be evolved because in case of social insurance schemes the workers in the unorganized sector are unable to contribute regularly due to uncertainty of income etc. But at the same time there must be a proper control and check to prevent misuse of the Social Assistance programmes.

In India, unorganized sector workers were mainly covered under – Life Insurance Corporation of India, General Insurance Corporation of India, National Social Assistance Programme and Annapurna.

The first two are contributory and the later are non-contributory schemes. Further there are quite a few state-supported (fully and/or partially) Social Security and welfare programmes. For instance, in Kerala there are occupational related schemes such as agricultural worker’s pension scheme, unemployment assistance, construction, workers, fishermen and coir workers welfare fund and so on.
Life Insurance Corporation of India

During the year 1956, the Life Insurance Provision Ordinance was promulgated whereby the management and control of life insurance business in India was vested in the Central government. The main purpose of this corporation is to provide protection to a family in the event of premature death of its bread winner. Further, life Insurance Policies, combine the element of savings for old age with family protection. Some of the savings-linked insurance plans of the Life Insurance Corporation are discussed below.

By and large, Life Insurance Corporation is helping the people by mobilizing their small savings through its savings-linked insurance plans. These plans are provided on group as well as individual basis.

These plans are provided on group as well as individual basis. The corporation offers its group savings-linked insurance scheme to employer-employee groups. Premiums are generally contributed by the employees concerned, which are deducted from their monthly salaries. The premium has two components risk and savings. Risk part provides insurance cover and savings part accumulates at an attractive rate of interest (10 percent per year). The accumulated savings are paid on retirement whereas in case of death before retirement, insurance sum is payable together with the accumulated savings.

The other form of scheme is savings linked insurance plans for individuals. These plans are known as endowment type plans where the sum assured is
payable at maturity or earlier death. In some cases, the sum assured payable on
death and maturity may be different. For instance, in the case of *Jeevan Mitra Policy*, the sum payable on death of double, whereas in case of Double Endowment Policy, the sum payable at maturity is double. In case of Money Back Policy, maturing benefits are paid in instalments during the term of the policy by way of survival benefits in addition to the life cover. These are also some plans, which suit to the special circumstances of the individuals. For instance, *Bhavishya Jeevan Plan* is a specially designed endowments plan for professionals who have a limited span of high income. Similarly, *Jeevan Griha Plan* which is available in double and triple cover may be suitable for those who obtain housing loan and need a collateral security for ensuring repayment of loan in the event of their premature death.

Another important concept under Life Insurance Corporation in pension plans for individuals. Under this scheme, *New Jeevan Dhara Plan* is a deferred annuity plan where the individual builds up a fund during deferment period by way of regular premium or a single premium. The annuity vests when the deferment period is over and then the policy holder would have option for various types of annually such as payable for life, payable for certain period and so on. *New Jeevan Akshay Plan* is an immediate annuity is available. *The Jeevan Surksha plan* offered to the individuals is a specially designed pension plan. This plan is available in three types-with life cover, without life cover and endowment. Under the life cover policies if death of policy holder occurs during deferment
period at least 50 percent of the target pension is paid to the spouse during her/his life time. On severance of the annuitant till the end of deferment period, the annuitant receives normal pension that is payable for 15 years certain and for life thereafter. Among other options stated in case of New Jeevan Dhara Plan, an additional option is available in case of Jeevan Suraksha i.e., full pension is paid to the principal annuitant and on his death spouse gets 50 percent pension so long as he/she survives. The option for commutation of pension up to 25 percent is also available. Under endowment type Jeevan Suraksha Plan, if death of annuitant occurs during the term of policy, the spouse would have option for 25 percent commutation and balance of the sum assured is utilized to pay pension to the spouse. On maturity of the policy the annuitant would have option as available under other types of the plan. Under this plan, the policy holders will get income tax rebate.

Recently, Prime Minister of India announced a special insurance plan for agricultural workers in India. In this programme, each worker has to contribute a rupee per day and the government will contribute the remaining amount. This is still under an experimental stage on pilot project basis.

Group Superannuation Scheme of the LIC guarantees, regular post retirement income. Under this scheme, the corporation offers funding of pension benefits. These schemes are broadly of two types-Defined Contribution Scheme and Defined Benefit Scheme. Under Defined Contribution Scheme, a defined level of contribution (which generally is a fixed percentage of salary) is made by the
employer, which is accumulated till the retirement of each employee. The pension in that case depends on the accumulated fund of the employee concerned. Under *Defined Benefit Scheme*, benefits are fixed in advance and generally depend on a formula based on service and terminal salary. Majority of schemes introduced in India are *Defined Contribution* type. Further, most of these schemes are non-contributory that is, wholly contributed by the employers. In general, superannuation schemes provide an option to the members at retirement to commute a part of their pension for lump sum. The option is also given to choose type of annuity. The corporation provides many types of annuities such as payable for life, payable for a certain period and for life thereafter, joint life, and last survivor with full or part reversion of pension to the spouse and so on. During the year 1988, the corporation introduced a special annuity plan known as *Annuity payable for life with return of capital on death*. Generally, this is also offered as an optional pension by superannuation funds and is very popular as the member gets pension so long as he survives and on his death the family gets lump sum equal to the capital sum invested for purchase of annuity.

**General Insurance Corporation of India**

This Corporation has introduced few important Social Security schemes. Personal Accident Insurance/Social Security Scheme is one such scheme. It is aimed at Poor Families. This scheme covers all the people in the age group of 18-60 years whose total family income from all source does not exceed Rs.7,200/-. Under this scheme, they need not pay any insurance premium to the corporation. The entire premium of the scheme is borne by the Government of India.

Hut Insurance Scheme for Poor Families in Rural India is one such other scheme. Under this schemes also, the hut dwellers need not pay any premium to the corporation, the entire premium cost is borne by the Government of India. The scheme provides relief to the poor families in rural areas when their huts and belongings are destroyed by fire. The families whose annual income does not exceed Rs.4800/-are covered under this scheme. In the event of loss due to fire, the insurance company will pay Rs.1,000/- for the hut and Rs.500/- for the belongings.

Another such scheme is Medical Insurance Scheme. This scheme is popularly known as Mediclaim, which was introduced during the year 1986. The scheme provides medical benefits to the people without any age restriction and also covers the children above three years. This is a contributory scheme and the premiums will be based on the age of the person and the total amount to which he/she is willing to take policy.
Cancer Insurance Scheme is a collaborative scheme provided jointly by the New India Assurance Company Limited and Indian Cancer Society and covers only the members of the Cancer Society. The annual premium under the policy is Rs.100/- and is payable along with Rs.100/- per year by way of membership fee. The maximum limit for medical expenses covered is Rs.50,000/- in aggregate, which includes medical expenses for diagnosis and treatment.

Solarium Fund is a special fund which provides compensation to victims of hit-and-run road accidents where the vehicle cannot be identified. Ministry of Surface Transport administered this scheme and during 1989, it was taken over by the General Insurance Corporation of India. Presently, the Corporation is administering this scheme through its four subsidiary companies.

Old Age Pension is aimed mostly for the elderly people residing in Rural India. India being mainly an agrarian country its population mostly lives in rural areas and is engaged in a wide variety of agriculture based operations. In this sector an individual works as long as his/her physical ability permits and as soon as his/her physical ability weakness he/she will retire from doing physical labour. For such retirees there is no guaranteed pension, except old age pension offered by the state governments. In this scheme, the elderly destitute are eligible to receive a moderate pension amount of Rs.30 to Rs.100/- per month. Here the destitute is generally defined was one over the age of 60 years and above, without any source of income and who has no kin to support. The pension provided under
this scheme varies from state to state and this mainly depends on the allocation of budget under the Welfare Activities of the state.

**National Old Age Pension Scheme**

This scheme came into effect from August 15, 1995 under National Social Assistance Programme. This programme is a significant step towards the fulfilment of Directive Principles as stated in Articles 41 and 42 of the Constitution. The eligibility criteria of this fully centrally sponsored scheme is as follows: the age of the applicant should be 65 years if age or more, the applicant should be destitute in the sense of having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources, and the amount of old age pension is Rs.75 per month.

This scheme was implemented in the states and union territories through panchayats (local governing bodies) and municipalities. Both panchayats and municipalities are encouraged to involve voluntary agencies to the extent possible in taking the benefit to the elderly destitute for which it is intended.

Though the States and Union territories have taken several steps to implement the scheme, various types of hurdles, both in the form of institutional and procedural complications come in between. For instance, identification of nodal departments, district-wise-distribution of targets, constitution of State and District level committees, opening of separate accounts are some of the administrative problems. The procedural problems are identification of real
persons/beneficiary, money disbursement and so on. Several committees were constituted to discuss all such problems but the government has yet to finalize its stand on this particular scheme. However, the scheme is now in operation in all over India.

**Annapurna**

The special scheme was launched during the year 1999 in connection with the International Year of Older Persons. It is totally supported by the Central Government in which 10 Kg of rice or wheat will have to be given to the destitute elderly who is not at all supported by any means either formally or informally. This scheme is in operation through Department of Civil Supplies of the State Government and beneficiary estimation was provided by the Central Government. However, due to administrative and procedural problems in some states it is yet to be started and in some states it was stopped.

**Integrated Housing Scheme, 2004**

This Scheme came into effect from 01/07/04 and is aimed towards Beedi workers; Iron, Manganese and Chrome Ore mine workers; and Limestone and Dolomite Mines Workers. This Scheme has been devised by integrating the earlier Schemes, namely, (1) Build Your Own House Scheme; (2) Group Housing Scheme; (3) Housing Scheme for Economically Weaker Sections of Beedi Workers.
Under this Scheme a subsidy of Rs. 40,000 per house or 50 per cent of the actual cost of construction per tenement, whichever is less, is made available to the beneficiary. A subsidy of Rs. 5,000 or the cost of repair, renovation or alteration, whichever is less in respect of each tenement will also be paid after 15 years of construction of a house.

This is further extended to any beedi worker engaged in beedi industry for more than one year with monthly income not exceeding Rs. 6,500 and not having a own house in his or his spouse name or any dependent.

### 4.5 Social Security Schemes in Karnataka

The State governments are required to make necessary law for all the subjects specified in the State List (List-II) and also of those specified in the Concurrent List (List-III) in Schedule VII of the Constitution. The subjects relevant to this thesis over which the respective State governments have to make law are as under:

<table>
<thead>
<tr>
<th>List-II</th>
<th>Entry No.</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>Public Health and Sanitation; hospitals and dispensaries</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Relief of disabled and unemployable</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>State pension, that is to say, pensions payable by the State or out of the Consolidated Fund of the State</td>
</tr>
</tbody>
</table>
List-III

Entry No.  Subject
20      Economic and social planning
23      Social security and social insurance; employment and unemployment
24      Welfare of labour including conditions of work, provident funds, employers’ liability, workmen’s compensation, invalidity and old age pensions and maternity benefits
28      Charities and charitable institutions, charitable and religious endowments and religious institutions
36      Factories

The responsibility to provide for effective Social Security that includes laying down the policies for poverty alleviation and their implementation imposes an obligation on the State governments to make efforts towards it. Moreover, the centrally sponsored Schemes providing Social Assistance are implemented by the state governments. In our country there is a wide inter-state variation in the levels of poverty and accordingly a variation in the Social Security measures can be observed. The geographical location, demography, growth and development in general and the lack of efforts of the State governments in particular contribute for those inter-state variations. Certain state governments have made remarkable efforts and have taken exemplary steps to enhance the Social Security system of their respective states.
Various State governments have established welfare boards and welfare funds to afford protection to certain categories of workers in the unorganised sector. The welfare funds to which the contributions are made by the government, employers and the workers, provide certain benefits such as invalidity and retirement benefits, assistance to the education and marriage of the children of the beneficiaries and survivor benefits.

In the present study the various Social Security schemes formed in the State of Karnataka alone are considered.

The Karnataka Labour Welfare Board was constituted in the year 2002 to provide medical assistance of Rs.5000/- to Rs.10000/- for ailments like heart surgery, kidney transplantation, cancer etc to certain identified occupational groups.

**Health Insurance Schemes**

**Yeshaswini Health Insurance scheme (YHIS)**

This scheme was introduced in the year 2002 by the government of Karnataka based on the principle of *Public-Private Partnership* (PPP) and it has been very successful. It is open to all the agricultural labours and small and marginal farmers in the state. The Government of Karnataka and the Karnataka State Co-operative Bank Limited in collaboration with the Yeshaswini co-operative Trust implements the scheme. The primary objective is to provide access to even the most complex and costly medical procedures without financial
burden as one of the main reasons of rural indebtedness being the cost of health care. Any farmer who is a member of a registered co-operative society in Karnataka could get the necessary treatment and have access to expensive medical procedure by paying a small premium. The registered member pays Rs.60/- per annum while the Government of Karnataka contributes Rs.30/- per annum towards the scheme. In 2005-06, over 14 lakh workers in the state have been covered under the scheme and the membership target is estimated to be around 25 lakhs.50

**Educational Schemes**

It takes the top priority in the developmental programmes of the Social Welfare Department. The literacy rate though is increasing it is quite low in the case of SC's. In order to increase the literacy levels and to make SC children educated the Department has been implementing several Educational Schemes viz.,

- Nursery-Cum-Women-Welfare Centres
- Residential Schools
- Navodaya and Morarji Desai Residential Schools

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Ramakrishna Ashrama School, Mysore; Janaseva Vidya Kendra at Chennanahalli, Bangalore; J.S.S. Residential School, Suttur, Nanjuangud taluk.

Schemes for Disabled

The Disabled persons are those who are either born with disability or the victims of circumstances for reasons beyond their control. In any case they are in a disadvantageous position compared to other persons.

Most of the families with disabled persons live below poverty line. Lack of facilities and opportunities prevent these disabled persons from availing education or employment. Unemployment becomes a major challenge for them and consequent inactiveness results in other disabilities resulting in depression among this class of persons.

It is necessary to provide opportunities for them to study, to get practical or vocational training and make them competent to take up jobs. A barrier free environment at the place of education, training and place of working should be provided. Mobility is another aspect, which needs to be looked into. The Government is unable to implement all the schemes aimed at the disabled. Thereby the role of Non Governmental Organizations has also become important and significant. They are involved in the education and rehabilitation programmes of the department. The NGO's are active in the field of education and rehabilitation. There is no grass root level agency to provide and disseminate the
information about the schemes and programs of the Government. This gap needs to be filled. It is necessary to establish a platform to give carrier guidance and counselling to the disabled persons.

In Karnataka the Directorate of the Welfare for Disabled aims at bringing the disabled persons into the mainstream of the society and to focus on their abilities rather than their disabilities. The Department is pursuing a multidimensional approach for overall welfare and development of the PWD's. Karnataka is the first state to give monthly maintenance allowance of Rs.400 to about 4 lakhs persons with disabilities.

Rules are framed earmarking 3% of the sectoral budget to the disabled. The policy of preferential and concessional allotment of houses, sites to PWDs is implemented. It is mandatory to provide 3% of posts in respect of Group A and B posts and 5% of posts in respect of Group C and D posts.

4.6 Social Security in USA, UK and Australia

In the highly developed and advanced countries of United States of America, United Kingdom and Australia the law pertaining to Social Security is very well defined and established. It encompasses almost every risk to which the citizens might be exposed to under any eventuality.

Social Security was used first in America in 1935 by passing the Social Security Act and later it was used in different countries. In America the Social Security is well provided and covers every aspect of danger or threat in any
sectors of the society whether the risk is major or minor that Americans are likely
to be faced with due to any incident.

Critics claim that Social Security treats women and minorities unfairly. True, the same rules apply to everybody, but not all mining eligibility have evolved in ways that militate against the interests of those whose employment and earnings histories differ from those of “average” white males. Moreover, differences in marital status and life expectancy exacerbate the situation; some benefit unduly, whereas others are penalized by formulas that apply a single admittedly complex set of criteria to all.

Public officials have been more responsive to women’s demands than to those of minorities. Both the Court and succession of high-level panels have sought to eliminate gender discrimination. The NCSSR paid scant attention to the pressing needs of aged minorities, but devoted entire meeting to women’s issues. Members of both parties agreed that inequities had to be corrected, but in light of the over-riding need to shore up Social Security’s financing, the commission did not recommend any measures that might greatly increase OASDHI costs. Instead, it fine-tuned eligibility criteria in order to serve the needs of select groups of women. Congress accepted the NCSSR’s recommendations and promised to further consider Social Security’s impact on women by the end of the decade.
Both the basic labour law, the federal *National Labour Relations (Wagner) Act* of 1935 (NLRA)\(^{51}\) and the Federal Social Security Act of 1935 (SSA)\(^{52}\) were enacted in the same year; each had its 50\(^{th}\) anniversary in 1985. Both were adopted in the midst of the Great Depression- the most serious domestic social crisis to confront the Republic since the Civil War of 1861-65. Prior to 1935, the great bulk of labour law in the United States consisted of common-law state court decisions and a small body of state statutes the only federal statutory labour laws were the antitrust acts of 1890 and 1914\(^{53}\), the Railway Labour Act 1926 (RLA), and the Norris LaGuardia Anti-Injunction Act of 1932.

In America there is a two-tier structure, the first tier is compulsory and it features a flat benefit financed by earnings-related contributions, and the second tier is optional, being fully earnings related on both sides. Thus, it is unfortunately necessary to look at both tiers together before considering the option to “contract out” part of the benefits and contributions.

In America the main feature of the contribution system is that it is earnings related. No contributions are required from those earning lesser than the prescribed limit that is altered by regulations during the month of April every year. Contributions in respect of those earning more than the prescribed limit are periodically altered. The contributors are shared between the employee and employer in the case of industries.

In America the main benefit from any retirement pension scheme would be in two components – the first component being a flat pension which is roughly equal to the lower and upper limits earned in the best 20 years prior to retirement and the second component would be the second pension which will be about one quarter of this average pay between the two limits during his best 20 years. On the death of a married male pensioner, the first component of his state pension (without the increase for a married couple-referred to above) is payable to this widow for life, along with an amount equal to his second component pension. In the case of Dependent’s Pension in the event of death while in service, the pension being the basic component plus any accrued second component, it is scaled down if the widow is less than the age of 50 years, and disappears if she is less than 40 years. A widower’s pension is payable only in the case of invalidity.

There are no lump sum death benefits under state scheme. There are no orphan’s benefits as such under the state scheme except that the age requirements regarding a widow’s pensions are released if the widow has dependent children. A new statutory sick pay scheme, which covers employees, commenced on April 6, 1983. Briefly, statutory sick pay is now paid by an employer if an employee is absent through sickness for four or more consecutive days, and continues for the first eight weeks of illness, not necessarily consecutive, in any one tax year, it is only after eight weeks’ absence due to an illness that an employee begins receiving State Benefits. Employers are able to recover the gross amount of any statutory sick pay by offsetting it against the payment of National Insurance
contributions. Thus, in essence, the Government has put upon the employer, the responsibility of administering short term sickness provisions.

The Social Security in United Kingdom appeared in July 1984. It has such potentially fundamental importance that explained in United Kingdom the personal pension is effectively provided for the employees as follows:

a. Personal Pension (PPs) should be available as of right to all employees.
b. PPs should qualify for contracting-out of the State earning-related pension scheme.
c. Special arrangements should operate for employees whose employers run a contracted-out occupational pension scheme where the membership is compulsory, so as to avoid any threat to the scheme’s finances.
d. The test for contracting-out should be based on a level of contributions calculated to bring an adequate pension on retirement.
e. No employer’s contribution to a PP should be required, apart from an amount related to the National Insurance contribution rebate for employees who are contracted out.
f. PPs would be based on contributions-that is they would be “money purchase” schemes-not based on earnings as are “final salary” schemes.
g. Employers would be permitted to contribute to PPs beyond the minimum level required but this would be a subject for negotiation between employer and employee.
h. PPs would be required to include an adequate level of widow’s pension on the death of the employee before or after retirement.

i. The employees will bear the risk of his PP failing to provide the same level of benefits as would have been available from his employer’s scheme or from the earnings–related state scheme. Neither his employer nor the Government will be obliged to top up benefits which have fallen short of the expected levels.

j. Comments are invited as to the bodies or institutions that should be allowed to offer PP arrangements and the type of investments which should be permitted.

k. Comments are invited as to how the PP system should be administered. Two suggestions are made in the Consultative Documents. The first involves the setting up of a “clearing house” for contributors and it anticipates that the costs of the clearing house will be borne by the institutions offering PPs—a reflection of the inevitably higher costs of an individual system as compared with a group system.

The second suggestion involves the payment of contracted-in rates of National Insurance contributions to the DHSS who would in turn pass on the “rebates” to the institutions providing PPs. Any additional contributions under this alternative would be paid directly to the institution by the employee or employer.
The Consultative Document also invites views on how best to encourage supplementary voluntary provision within existing occupational pension schemes and mentions ways of relaxing the present rules in this direction.

The amount of benefit upon death in service having accepted the need for death benefits, it is necessary to consider how much should be provided. Is the employer going to attempt complete provisions, in conjunction with the Social Security benefits, or is he merely going to provide a sum to tide the dependents over a period of adjustment to their new circumstances? If a young employee earning about 100 pounds a week dies and leaves a young widow with a family, it is much easier to say what is inadequate than what is adequate.

The actual form of benefits upon death, apart from its equivalent value, depends materially upon the type of scheme to be adopted and must have regard for the fact that, by Inland Revenue requirements, a benefit on death in service may not take a lump sum form beyond a limit of four times salary at death.

Death benefits after retirement the scale of the benefit payable on death in service, it is desirable to provide some benefit if death occurs immediately after retirement, partly on general grounds as set out above for death in service benefits, and partly because otherwise the dependents of a man who dies one day before retirement are better off than those of a man who dies one day after retirement. The benefits are as follows:

a. Scale of Benefits
b. Final Salary Pensions

c. Salary Disregard

d. Integration

e. Pensionable Remuneration

f. Scales of Pension Benefit

g. Lump sum Retirement Benefit

h. Effect of Contraction Out

i. Retirement at other than normal pension age

j. Post-retirement increases

k. Ill Health Pensions and Permanent Health Insurance

l. The level of Ill Health Pension

m. Inter-relation with state Pension

n. The need for control

o. Actual Implications.

p. Continuing Trustee Scrutiny

q. Permanent Health Insurance

Social Security in Australia, began with the Social Security Act coming into existence in the year 1991. Social Security in Australia, refers to a system of social welfare payments provided by Commonwealth Government of Australia. These payments are administered by a Government body named Centrelink. In Australia most benefits are subject to a means test.
Income support payments are payable fortnightly, usually by direct deposit into the recipient's bank account. They are also subject to a means test which calculates the recipient (and their partner's) fortnightly income and assets and affects the rate of their payment accordingly. As such, people on lower incomes may be entitled to part-payment of their allowance (subject to other qualification requirements).

The assessment of income and assets is very similar between different Social Security payments but the effect that income and assets have on each payment differs in that they have different income thresholds (i.e. how much income one can earn before it affects their payment) and different taper rates (the amount the payment drops by per dollar above these thresholds).

The Age pension was the first payment issued from the Commonwealth Government and dates back to 1909. It is available to men aged 65 years and over. The age for women to become eligible is being progressively phased upward from 60 to 65 years, in line with males. Women currently become eligible for the Age pension at 63 years and 6 months. Unlike pension payments of many other countries, workers do not contribute to a pension or insurance within Australia and the payment is available subject to means testing. This ensures that only those that require assistance receive it.

Newstart Allowance is an unemployment benefit, colloquially known as The Dole, which is paid in the form of a payment for people between the age
group of 21 and 64 and is given to those who apply for the benefit and are unemployed and are seeking work.

Ordinarily, during the first three months of unemployment, a job seeker has no other obligations but to submit a fortnightly application for payment form at the local office. The form asks the applicant a number of questions about his circumstances and for the basic details of four positions for which the job seeker applied in the last fortnight. Customers may also be required to make up to 10 ‘Job Search Contacts’ per fortnight (dependent on the local labour market and their personal circumstances) and record the details of these jobs within a specifically issued Job Seeker Diary for a given period of time. The job seeker then takes the Application for Payment form personally to the local Centrelink Office. He will then attend a short one-on-one interview with a Centrelink officer. The interview is usually for the purposes of checking that the application form is in order and that the applicant is aware of any appointments that may need to be attended, and obligations that may need to be met. The client at this stage also has the opportunity to talk to a Centrelink officer about any problems the client may be encountering without having to make a prior appointment first.

If after an initial three months of unemployment, during which the job seeker has only to hand in the fortnightly application form and record the Job Seeker Diary, the client remains unemployed; the client will be required to attend appointments with a Job Network agent whose responsibility it is to assist the
client to re-enter the work force. The job seeker also has to attend a two week training course which focuses on job searching skills such as writing resumes and attending interviews.

Youth Allowance is an income support payment to young Australians in full-time study, an Australian Apprenticeship, actively looking for employment or undertaking a combination of activities leading to employment.

'Youth' is defined as 15–24 for full-time students or 15–20 for job seekers. The payment is only available to dependent children of low-income earners or young people who have met specified independence criteria. Some of the criteria to be considered independent for Youth Allowance purposes include young people who have self supported themselves through paid work, or have been in a marriage-like relationship, or have or had a dependent child, or are an orphan or refugee without parents in Australia, or unable to live with parents due to relationship breakdown or because the parent is incarcerated or missing.

Disability Support Pension provides income support for people who suffer a long-term disability, which in the opinion of an assessor they will not recover from in the next two years, and which will render them unable to work or participate in a training activity enabling them to work. It is more than you get on Newstart, and is income and assets-tested. However, if you are permanently blind, you can receive DSP without income and assets tests, and without needing to prove any inability to work, etc. DSP can take a while to process, so as a
temporary measure claimants are placed on another payment (e.g. Newstart with a medical certificate to cover the activity tests) while the payment is being assessed; once granted it is backdated to the claim date at the higher DSP rate.

Sickness Allowance payments for those who are currently suffering an Illness/Injury/ Disability (i.e. less than 2 years) are employed, and have no access to leave or have used all their leave.

Additional and Supplementary Payments income support recipients who are classed as non-homeowners and pay more than a required amount of board or rent for accommodation are eligible for Rent Assistance payments. This payment is paid as part of the income support payment. Verification of the rent details are required either a lease or by completing a Rent Certificate every six months.

The Pharmaceutical Allowance is very small payment for those receiving Centre link payments to help cover the cost of medicines. This payment forms part of the Pharmaceutical Benefits Scheme (PBS) and effectively gives Health Care Card holders free access to medicines on the PBS.

The Telephone Allowances issued quarterly to eligible customers receiving Pension payments, to help cover the cost of telephone bills. Eligible customers must have a telephone service subscribed in their name to be eligible for Telephone Allowance.

The Pensioner Education Supplement of additional payment, for those on a pension who are studying, to help cover the cost of study. It only applies to
approve courses of study. Bachelor's degrees and many courses are approved courses of study, but generally postgraduate study is not. He is still eligible for PES for study even if you have completed previous studies.

4.7 Conclusion

A critical analysis of Social Security legislations in India reveals the measures and remedies provided for making improvements and to cover all the sections of society. There are few more Social Security laws that are passed by the States which give protection to the weaker sections. The existing Social Security Laws cover only the Industrial and Organized workers providing benefits only in certain contingencies. But the rural and unorganized workers are completely ignored from the coverage of such laws and deprive them in getting benefits under Social Security laws which are being enjoyed by organized workers. All these years the Government expressed its difficulty and inability to cover all the workers in the country including unorganized because of administrative and financial difficulties. Neglecting rural and unorganized workers in providing Social Security benefits is a clear act of discrimination and exploitation. It is appropriate to mention here an extract from the Report of Social Security and National Development, 1977, ‘despite considerable emphasis given in the Constitution to guarantee Social Security measures to every citizen of India, the Social Security system now obtaining in the country, is characterized by its extremely limited coverage’. Virtually all the measures are concentrated on certain sections of the organized working population.
India lives in villages and majority people stay in the rural areas without the protection of Social Security Laws. There is wide gap in providing Social Security Laws between Urban and Rural people, between towns and villages and haves and have not’s. With a view to take the Social Security Laws to the rural people the Central Government and State governments will have to take initiatives in providing and establishing a Department of Social Security in all the States.

In other countries, as seen, the Social Security schemes are well covered in all the sectors of the society, both organised and unorganised sector. The legislations are very much effective and enforceable. The schemes which are provided there under are seen to be upgraded for the betterment of the society and employment sector.