CHAPTER- II

SOCIAL SECURITY: AN ANALYSIS
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2.1 Introduction

More than 60 years ago, on June 12, 1943, United States Social Security Board Chairman Arthur Altmeyer spoke before an international audience in New York. He said:

“Social Security in any country is to the interest of all other countries, since it contributes to political stability, economic well-being, and is the embodiment of belief in the innate dignity and worth of the common man. The development of social security programs is essential both to the internal security of nations, and to the international security and peace of the world”.

Chairman Altmeyer words were true then. They are true today. And they will be true tomorrow.¹

Social Security is both a concept as well as a system. It represents basically a system of protection of individuals who are in need of such protection by the State as an agent of the society. Such protection is relevant in contingencies such as retirement, resignation, retrenchment, and death, disablement that are beyond the control of the individual members of the Society. Men are born differently, they think differently and act differently. State as an agent of the society has an important

mandate to harmonise such differences through a protective cover to the poor, the weak, the deprived and the disadvantaged.²

2.2 Social Security

Different political leaders, social reformers and economists have emphasized the importance of Social Security in different ways. Today the philosophy of the concept is universally acknowledged as it has been accepted in principle that social security is the aim of all social welfare activities of all countries following different ideologies, different social and political structures and different economic policies. Ways adopted by the various countries may be different, but the purpose is the same everywhere. The concept of 'social security' has united them all.

Thus it has been opined that, "Social Security is an instrument for social transformation and progress and must be preserved, supported and developed as such. Furthermore, far from being an obstacle to economic progress, as is all too often said, social security organized on a firm and sound basis will promote such progress, since once men and women benefit from increases in security and are free from anxiety for tomorrow, they will naturally become more productive".³

Social security has a powerful impact at all levels of society. It provides workers and their families with access to health care and with protection against loss of income, whether it is for short periods of unemployment or sickness or maternity or for a longer time due to invalidity or employment injury. It provides older people with income security in their retirement years. Children benefit from social security

programmes designed to help their families cope with the cost of education. For employers and enterprises, social security helps maintain stable labour relations and a productive workforce. And social security can contribute to social cohesion and to a country’s overall growth and development by bolstering living standards, cushioning the effects of structural and technological change on people and thereby providing the basis for a more positive approach toward globalization.⁴

The existence of social malaise is a symptom of imbalance in the society. The society has, therefore continuously tried for the eradication of all human problems and emancipation of individuals from various ill effects. Insufficiency of tools and lack of means to fight the vicissitudes of life has made man dependent on the support of his fellow individuals or society during the spell of such catastrophic conditions.

Those who could not fend for themselves had to suffer great privation.⁵ Every individual whether a child, an adolescent or an adult passes through phases of life when he needs external help. Such spells are called the Contingencies. They may arise from biological and / or economic causes. Among the most recurrent biological contingencies are sickness, incapacity, invalidity due to an accident and maternity in case of females. A victim of such a contingency needs both medical and financial assistance. In addition, there are contingencies of bio – economic origin, e.g. the old age, where economic contingency could be avoided by proper planning. There may also be purely economic contingencies like unemployment. These risks are essentially

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contingencies for which an individual of small means finds it difficult to provide by virtue of his ability or foresight.⁶

Social Security protects not just the subscriber but also his/her entire family by giving benefit packages in financial security and health care. Social Security schemes are designed to guarantee at least long-term sustenance to families when the earning member retires, dies or suffers a disability. Thus the main strength of the Social Security system is that it acts as a facilitator - it helps people to plan their own future through insurance and assistance. The success of Social Security schemes however requires the active support and involvement of employees and employers. A worker/employee is a source of Social Security protection for himself and his family. An employer is responsible for providing adequate social security coverage to all his workers.⁷

At all times and in every society, at every stage of development, there have been sick people requiring medical aid and care, handicapped and old people unable to work for a living.⁸ Quite a part from this there are people who are unemployed and are enable to make both ends meet. The concept of social security is as old as the history of man. Stories of Bible tell us how, during the years of famine, Joseph tried to tide over the situation by making use of surplus stocks of grain which he had

⁶ Ibid, p. 46.
stocked during the earlier years of plenty. The oldest institution of social security is family that includes the extended family.\textsuperscript{9}

Income Security or Protection for the elderly, the disabled and the survivors, in the event of the death of the breadwinner, has been a problem facing by mankind from the times immemorial.\textsuperscript{10}

2.2.1 Conceptual Analysis of Social Security

The concept of social security has various dimensions in its content and complexions. After the emergence of the Industrial Revolution, the governments of various countries have been forced to adopt policies and programmes of social security within their respective constitutional set up. Today almost all the democratic and socialist countries of the world have their own pattern of social security for a regulated social order.\textsuperscript{11}

Social security is a dynamic concept. Being a dynamic subject no rigid limit can be laid down for all time to come. It varies from time to time and country to country. The growth and development of national economy will profitably affect the social security scheme.

Whatever may be the scope of social security it is now considered in almost all the countries of the world, developed and developing, as an indispensable chapter of a national programme to strike at the root of poverty, unemployment and disease.


Social security may provide for the welfare of persons who become incapable of working by reason of old age. It has been considered essential for workers; though with development of the idea of welfare state, its scope should be widened to cover all sections of society.12

The concept of social security, according to National Commission on Labour (NCL), “is based on ideas of human dignity and social justice”.13 The underlying “idea behind social security measures is that a citizen who has contributed or is likely to contribute to his country’s welfare should be given protection against certain hazards” of life to which he is exposed either in his working up life or as a consequence of it.14 These hazards are essentially economic, though in some cases they may be even social.15 In other words Social Security “insures a person against economic distress resulting from various contingencies and assures him a minimum level of living consistent with the nation’s capacity to pay”.16

The concept of social security in a modern welfare state is broad enough to provide comprehensive social security from ‘Womb to Tomb’. The social security system is one of the characteristic institutions mainly developed during the 20th Century.17

Almost all independent countries have enacted social security measures according to their means and capacity to pay. The modern industrial society and the

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14 Ibid.
16 Ibid.
17 Ibid.
system of the present century have unequivocally recognized the importance of covering workers from various risks, especially when the old social structure is fast disintegrating owing to the rapid growth and industrialization.  

Definitions of Social Security

There is no single and definite universally accepted definition of social security. Most definitions incorporate the social risks that social security aims to address, as these risks results in the loss or reduction of income.

Broadly speaking, the term “Social Security: is usually employed to indicate “specific government programmes designed primarily to prevent want by assuring to families the basic means of subsistence”.  

The British interpretation of the term ‘social security’ is, however, slightly different. According to that “the main purpose of any plan for social security is insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death”. Under this definition, the scope of the subject is vast in the sense that it covers all the economic phases of life. Not only that time factor involved is also unlimited. The plan guarantees protection against all calamities. It takes in to account the important fact that the protection afforded in any contingency may be reasonably adequate, not only must the rate of the benefit meet some standard of adequacy, but the benefit itself must be payable “as long as the loss resulting from the contingency persists” and be available “wherever the contingency occurs subject only to such limitations of rate and availability as are  

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necessary to prevent substantial abuse on the part of claimants who are beneficiaries.\textsuperscript{21}

Friedlander defines social security as "a programme of protection provided by society against these contingencies of modern life, like sickness, unemployment, old age, dependency, industrial accidents, and invalidism against which the individual cannot be expected to protect himself and his family by his own ability or foresight."\textsuperscript{22}

The National Commission on Labour says that, "social security envisages that the members of a community shall be protected by collective action against social risks, causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them."\textsuperscript{23} Individuals working in various fields and in different capacities contribute towards the enrichment of society and in turn, deserve to be taken care of, in times, when calamity befalls on them. It is through social security measures that the state expresses its concern for its citizens.

Social security needs vary and Lord Beveridge, listed eight kinds of primary conditions which demand social security. These are:

(a) Unemployment: that is to say, inability to obtain employment by a person dependent on it and physically fit for it, met by unemployment benefit with removal and lodging grants;

(b) Disability: that is to say, inability of a person of working age, through illness or accident, to pursue a gainful occupation, met by disability benefit and industrial pension;

\textsuperscript{21} Ibid, p. 894.


(c) Loss of livelihood: by a person not dependent on paid employment, met by training benefits;

(d) Retirement: from occupation, paid or unpaid, through age met by retirement pension

(e) Marriage: needs of a woman met by Housewife's Policy;

(f) Funeral expenses: of self or any person for whom one is responsible, met by a funeral grant;

(g) Childhood: provided for by children’s allowances if in full time education, till sixteen;

(h) Physical disease or incapacity: met by medical treatment, domiciliary and institutional, for self and dependants by comprehensive health service and by post-medical rehabilitation.\(^{24}\)

Similarly, Recommendation No. 67 of the ILO Concerning Income Security, stated that the social security is required for meeting the various types of contingencies: such as Unemployment, Sickness, Employment Injury, Maternity, Invalidity, Old-age, Death, Emergency expenses.\(^{25}\)

The Social Security (Minimum Standards) Convention 102 of the ILO added medical care and family benefits to the foregoing list and dropped Emergency Expenses. The World Bank has adopted a typology of risk, which consists of: Natural Disasters, Health, Social, Gender, Economic, Political and Environmental problems.


The mechanics of social security therefore consists in counteracting the blind injustice of nature and economic activities by rationally planned justice with a touch of benevolence to temper it.

2.2.2 Main Elements of Social Security

Social security systems in many developed countries consist of a combination of two major programs: social insurance and social assistance.

(a) Characteristics of social insurance programs:

(i) They are financed by contributions.

(ii) They generate “earned” benefits for workers and their families.

(iii) They provide for various contingencies that interrupt or stop earnings (such as illness, old age, maternity and unemployment).

(b) Characteristics of social assistance programs:

(i) They are non-contributory and met from general revenues.

(ii) They are designed to supplement the incomes of particularly vulnerable groups (elderly and disabled). In some countries they provide a “safety net” for those who are not able to access social insurance benefits.

(iii) The benefits and eligibility conditions vary from country to country. The benefits may be either in cash or in-kind in the form of food aid. The schemes include “income replacement schemes” or “cost compensation schemes” that provide complete or partial compensation for family care, health care, funeral costs, etc.
In developed countries social security schemes exist side by side with various private arrangements made by people to protect themselves against certain contingencies. These include private savings, private insurance and pension funds.26

(c) Rights-Based Approach to Social Security

The following are some important elements of a rights-based approach to social security:

(1) Comprehensiveness: The social security system should aim to provide comprehensive coverage against all contingencies and life circumstances that threaten the income-earning ability of persons and their ability to maintain an adequate standard of living. This includes unemployment, ill-health, disability, maternity, old age, and child support for impoverished care-givers and survivor’s benefits.

(2) Universality: All those in need of social security should be able to gain access to it.

(3) Adequacy and appropriateness: The level of benefits provided under the various schemes should be adequate and appropriate. The particular benefit payable will depend on the type of social security scheme and its rules (e.g., under certain social insurance schemes the benefits received are related to the contributions made). However, the benefits provided under need-based social assistance programs should at least be sufficient to ensure that the recipient does not fall below a clearly defined minimum subsistence level or poverty line. The kind of benefits provided should also be appropriate to the kind of risk or contingency faced (e.g., maternity benefits should be paid for a period appropriate to the demands of child-birth and infant-care).

26 Friedrich Ebert Stiftung, “Module 20 Education For Empowerment”, <fessa@fessa.co.za www.fes.org.za > visited on 04.05.2006.
(4) Respect for equality: Social security programs should not discriminate unfairly against anyone on grounds such as race, sex, gender, sexual orientation, religion, political opinion, national or social origin, birth or socio economic status. This includes both direct and indirect ("adverse effects") discrimination.

(5) Respect for procedural rights: The rules and procedures governing eligibility for social security programs, as well as the termination of benefits, must be reasonable and fair. Persons aggrieved by an adverse legal rule or administrative decision should have access to speedy, affordable and effective legal remedies for the determination of their rights.27

2.3 Historical Evolution of Social Security Movement

2.3.1 United Kingdom

The historic sources of social insurance idea are found in the genesis of industrial revolution in the 12th century in Europe. Social insurance Schemes were also found in the guild benefit Societies "The embryonic trade union movement in the Europe of the last century, the chartist movement in England, the efforts of forty-eighters in Germany were directed against the bad conditions of employment. The introduction of the German sickness and Maternity Insurance in 1883 was the initial governmental programme.28

As far as provision of social assistance is concerned, England had formulated the Social Assistance Act in 1601 under which church-wardens and poor families were getting financial assistance for their survival. In 1912 Great Britain took up the compulsory health insurance scheme but that too was done in a sporadic manner. The

scheme was thrown open to general public only in 1920. The British people, however, had the first Old Age Pension Scheme, “giving non-contributory pensions at the age of 70, subject to a means test” as early in 1908. By 1925 Great Britain had contributory pensions scheme for the old, the widows and the orphans. It was only in 1934 that Britain had unemployment insurance on a fresh basis through an unemployment Act along with “a new national system of unemployment assistance”.29

2.3.2 United States of America

In the United States, the birthplace of the modern terminology, the social security scheme in its present shape, came very late. It was just after the worldwide depression during the thirties, the U.S. Government first accepted the principle of social security. But sporadic efforts to grant social security to the people were taken there quite earlier. For children provision was made by Oklahoma in 1908. By 1911 mothers aid was introduced. Montane introduced Old Age Pension, as early as 1923 Alaska did it in 1915. The impetus for the expansion of social security in the United States came from the Great Depression in the 1930s and World War II. The Social Security Act of 1935 introduced programs to meet the risks of old age, death, disability and unemployment. The main emphasis of the US social security system was to promote the security of workers through social insurance. However, the Act also made provision for federal subsidies to support social assistance programs in the states.30

2.3.3 India

(a) Ancient India

The structure of Hindu Society in ancient India was by itself a great security against calamities. It has been very aptly observed that, in ancient India, Joint Hindu Family was the unit of social organization and was also the original cell for security, prototype and analogous to the further institutions. The reciprocal obligations of the parents to support the child in infancy and of the son to support the parents in old age were represented in social insurance by the solidarity of generations. The paternal responsibility was further illustrated across the ancient Indian history in the relationship of the patron to his clients, the lord to his vassals and the master to his servant, and as such it survives even today in a variety of legal obligations of the employer to protect his workers and in the manifold welfare schemes set up voluntarily by the employers.\(^{31}\)

Besides this guild system, the joint family system too played its due role in the social security for the dependent members. Looking after the dependent persons was a part of regular duty of an Indian in ancient India. Any departure from that meant punishment by the State. It is recorded by Kautilya that “the government believed in social cooperation and enforced social duties on its subjects. Any dereliction of such duties was penalized. As such, punishments were inflicted on men forsaking wife and children or husbands and refusing to maintain minor brothers and sisters”.\(^{32}\) In this respect India was certainly leading in the past. Provisions were made by the State for


\(^{32}\) Kautilya’s Arthashastra Quoted in Bhattacharya & Vivek Ranjan, *Ibid*, p.14
the protection of the orphans, the widows and the old even in the seventh or eight century A.D.\textsuperscript{33}

Kautilya's \textit{Arthashastra} is a guiding example of the introduction of the philosophy of social security in ancient India. It has been observed that "Ancient jurists like Brihaspati, Yagnavalka, Vishnu etc., had framed extensive laws regarding wages and conditions of work, technical and vocational training, women and child labour, regulation of industrial relations etc. these scripts bear testimony to the fact that social structure in those days was so evolved and codes so designed as to provide security to the people in general and the workers in particular".\textsuperscript{34}

Kautilya mentioned quite a number of pension scheme in his \textit{Arthashastra}. Some of the more important of them were educational pension, Pensions to officials and the most important was Public Poor Relief. Bandyopadhyaya tells us that during the days of \textit{Arthashastra} "the Acharyas and Vidyavantas who were teachers of the non – sacred branches, got pensions varying from 500 \textit{panas} to 1,000 \textit{panas}".\textsuperscript{35}

\textit{Kautilya} mentions grant of pensions to retired officials. Regarding social security in India some allusions are found in the \textit{Arthashastra} of \textit{Kautilya}, Manusmriti and \textit{Shukraniti} which laid down certain rules for the protection of the state employees in the event of sickness, childbirth, old age, death of the chief breadwinner and widowhood.

\textsuperscript{34} M.A. Chansarkar, \textit{ibid}, p. 19, Quoted in Bhattacharya & Vivek Ranjan, \textit{ibid}, p.15.
\textsuperscript{35} Bandyopadhyaya, \textit{ibid}, p.173, Quoted in Bhattacharya & Vivek Ranjan, \textit{ibid}, p.15.
The king used to have a responsibility to protect the population against foreign invasions as well as internal crises like flood, fire, famine, pestilence, rats, snakes, tigers, demons, etc.\textsuperscript{36}

**(b) Modern India**

The movement of the social security measures in modern India can be studied under two phases: the pre-independence era, and the post-independence era. The modern factory system of production is of recent origin in India.

Until early twenties, there was no workers organization at all India level and in the absence of a well-organized forum, the workers could not ventilate their grievances against working conditions, remuneration, etc. Thus, workers continued to work under the harsh and contemptuous conditions prescribed for them. Thus, the British Government continued with its traditional policy of exploitation and some measures were adopted only after 1920, when a little awakening started. Thus, the study of social security in India may be taken to have started from 1920. The divisions are as follows:

1. **Pre-1920 period**: The period of unconcern.
2. **From 1921 to 41**: The period of haphazard growth.
3. **From 1942 to 1951**: The period of conscious planning.
4. **From 1952 to 1957**: The period of implementation.
5. **From 1958 onwards**: The period of consolidation.

\textsuperscript{36} P.C.Skiligar, \textit{supra} note 11, p. 401.
(1) Pre-1920: The period of unconcern:

Large-scale factories began to develop in India from 1850 onwards, but the Industrial development was slow, being confined mainly to the textile industry. However, by 1881, the factory system had clearly emerged in India, but the workers did not organize themselves simultaneously with the industrialization. The government also did not show any concern for the amelioration of worker's conditions. True, some employers paid compensation to workers or their dependents but such cases were rare and isolated. Though the Fatal Accident Act, 1985, required the employer to pay compensation if it was proved in the court of law that fatal accident was not due to the obvious neglect of the worker. The suit had to be filed in Court, which meant heavy expenses. Further, ignorance, helplessness, lack of resources and unfriendly attitude of some of the Judges towards the working class reduced the Act only to the paper exercise. 

Therefore, this period in the history of Indian Labour can be called as the period of unconcern on the part of government, the employers and the workers. A.N. Agrawal rightly calls it “the period of inactivity in Social Insurance Movement in India.”

(2) From 1921 to 1941: The Period of Haphazard Growth:

A permanent industrial labour force started emerging with workers settling down near the industries. The establishment of ILO in 1919 greatly influenced the public opinion in favour of social security for workers based on the principles to secure

37 Deepak. Bhatnagar, supra note 5, p.56.
38 Ibid, p.57.
universal peace based on Social Justice. The ILO declared that ‘poverty anywhere is a
danger to prosperity everywhere’. ILO influenced social legislations in India, both
directly and indirectly. For example, the appointment of the Royal Commission on
Labour (also called Whitley Commission), was influenced by ILO; powerful All India
Trade Union Congress was established to send a trade union representation at ILO.

This period saw two enactments in the field of social security, namely, the
Workmen’s Compensation Act, 1923, and the various Maternity Benefit Acts, passed
by different provinces. These two pieces of legislation provided security against two
contingencies, viz; on disability during the course of work and maternity benefit for
women workers. However, other contingencies of life like sickness, old-age
unemployment, etc; were still unprotected.

An analysis would show that these (earlier) Acts were more or less a
theoretical exercise rather than practical implementation, for they covered only a
fraction of the country’s total wage earners. It will be relevant to quote the views
expressed by the Royal Commission on Labour, pointed out that “under the Act” as it
stands at present no compensation is given for the first ten days of temporary
disablement. This is unusually long period.  

Similarly, the Labour Investigation Committee, 1931 observed that, “No,
doubt, the Government of India and the provincial and the state governments have
recently introduced various types of welfare activities but these, touch only the fringe
of the problem and cover only a small section of the working class.  

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(3) From 1942 to 1951: The period of Conscious planning:

This period saw many significant developments in the field of social security on a firm and sound footing. The outbreak of the World War II, however, created an acute shortage of man and material. This necessitated increased production and greater co-operation of labour. For this, a number of concessions were made to the working class under the Defense of India Rules (Rule 81-A). The appointment of Dr. B.R. Ambedkar as Labour Member of the Viceroy’s Council infused courage in Government Labour Policy. Further, the Constitution of ‘Standing Labour Committee’ and ‘The Indian Labour Conference’ provided a forum for the discussion of labour matters. The different ILO Publications, “Approaches to Social Security”, an International Survey and Social Security principles and problems arising out of War, highlighted the tendency now manifest in social security planning, to bring under a single scheme all provisions for assuring maintenance in case of inability to work or to obtain work, and to extend this to all the employees employed or self employed, rural or urban. The publication of the Beveridge Report in England also had a remarkable impact on the Indian Scene.42

Influenced by various above mentioned publications, increasing dissatisfaction among factory workers, Conventions and Recommendation of ILO, and some Sickness Insurance schemes run by private employees, and the resolutions of the Labour Minister’s Conference of 1940, 1941 and 1943, the Government of India appointed a Commission under the Chairmanship Professor B.P. Adarkar in March 1943, to draw a Health Insurance Plan, for the workers in India. Mean while, in 1943,

42 Deepak. Bhatnagar, supra note 5, p. 60.
Tripartite Labour Conference passed a resolution pleading for an immediate establishment of machinery to investigate into the question of wages, earnings, employment, and social conditions.43

The Adarkar Commission submitted its report on 15th August 1944. In his report, Prof Adarkar has referred to the provision of Maternity Benefit and Employment Injury. Even before the Adarkar Commission could assume a practical shape, the Government of India requested the ILO to depute its social security experts to examine the Adarkar Report. ILO deputed Messrs M. Stack and R. Rao for evaluating the Adarkar Report. Both, Stack and Rao visited India in the year 1945. The experts suggested certain modifications in the light of social insurance principles and practices in other countries.

The modified form of Adarkar plan was submitted to the Government of India in the form of the Workmen's State Insurance Bill in November 1946. After some discussions the Dominion Legislature passed the Bill on 19 April 1948, as Employee's State Insurance Act, 1948. Thus, the Act marked the beginning of the long desired era of Social Insurance for industrial workers in India.

(4) Period from 1952 to 1957 - The period of concrete Action:

The adoption of the Constitution in 1950, the beginning of the planned era, etc, greatly influenced the Social Security efforts of State and Central Governments. The Government had gradually but fully realized the importance of the social security measures for the working class and had, therefore, enacted a number of enactments for their welfare, insuring employees of various classes against the unwarranted

43 Report of the Labour Investigation Committee, Supra note 41, p.1
contingencies of life. The Employees’ State Insurance Scheme, the Employees Provident Fund Scheme, the Coal Mines Provident Fund and Bonus Schemes Ordinance, which were later on replaced by an Act, etc., are some of the major achievements of this period.

(5) From 1958 onwards - The period of Consolidation:

Attempts were started for the unification and consolidation of different social security measures introduced in the country. A significant development of this period was the setting up of a study Group on Social Security under the Chairmanship of Shri. V.K.R. Menon.44 Another one – man Committee with Dr. A. Lakshman Swami Mudaliar as its chairman was appointed by the Government of India in 1959 to review the working of the scheme.

Another committee, to review the working of ESI scheme, was set up in June 1963, under the Chairmanship of Shri. C.R. Pattabhi Raman, the Deputy Minister for Labour Employment and Planning in the Central Government 45

The Government of India appointed the National Commission on Labour on 24 December 1966 with B.P. Gajendragadkar as its Chairman. The Commission submitted its report in 1969, after making a thorough study, among other aspects of the ESI scheme.46

The Estimates Committee of the Parliament in its 123rd report on the ESI Scheme recommended the setting up of a Committee, consisting of the member of the corporation and other experts, to study certain important recommendations suggested

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44 Report of the Study Group on Social Security, Government of India, 1958, para 22 (i) (c)
46 Report of National Commission on Labour, supra note 13 Ch, I.
by the estimates Committee. On its recommendations, a Committee known as the Committee on perspective planning was set-up in 1972, under the Chairmanship of Shri.P.M.Nayak, Secretary to the Department of Labour and Employment, Government of India, New Delhi.47

The Employee’s State Insurance Corporation in its meeting on 19th February, 1975 decided to set – up a High Power Sub- Committee to make an exhaustive study of various provisions of the Employee’s State Insurance Act, 1948.

Accordingly, the Union Minister of Labour in his capacity as Chairman of the Corporation nominated on June 1975 a High Powered Sub Committee.48

Following discussions at a meeting on 16 May, 1981, the consultative Committee of Parliament for the Ministry of Labour, the Government of India decided to set – up a Committee to review the working of the ESI Scheme with a view to bringing about further improvements and minimizing complaints.49

The major developments during this particular period are the passing of Employees Provident Fund Act, 1952 the Act provides for the institution of compulsory provident fund in which both the employee and employer would contribute. The Act was amended in 1971 to provide for Family Pension Scheme. A further amendment in 1976 brought in to operation the employees Deposit Linked Insurance Scheme.

In order to reduce the disparity relating to maternity protection\(^{50}\) envisaged in Employees State Insurance Act 1948, Plantation Labour Act, 1951 and Mines Maternity Benefit Act, 1941 and in several State Acts the Central Act called the Maternity Benefits Act, was enacted in 1961. The Act was amended in 1973 in order to widen its scope and coverage and again in 1976 to provide for payment of maternity benefit in certain cases. Another milestone is the enactment of The Payment of Gratuity Act, 1972.

2.4 Social Security as a Human Right: International and Regional Standards

Under the International Human Rights Law, every State has three obligations: (i) The obligation to respect; (ii) The obligation to protect; and (iii) The obligation to fulfill human rights. The obligation to respect requires the State to abstain from doing that, which violates, even directly or indirectly, the concerned human right. The obligation to protect requires the State and its agents to take the measures necessary to prevent other individuals or groups from violating or infringing the enjoyment of the right. The obligation to fulfill requires the State to take measures to ensure each person within its jurisdiction has the opportunities to obtain satisfaction of those needs recognized in the human rights instruments, which cannot be achieved by personal efforts. Being a signatory of these instruments India is bound both by the provisions and the corresponding obligations arising under the Covenants.

2.4.1 International Instruments

The protection and promotion of human rights has, in fact become one of the main objectives of the United Nations. The Charter of the UN contains many

\(^{50}\) Indian Labour Yearbook 1979, 1982, p. 281.
provisions for the promotion of human rights. Among the purposes of the United Nations set out in Article, “The provision of respect for human rights and fundamental freedoms for all” is prominent the Charter guarantees the right to social security.\(^{51}\) Art. 25 recognizes the right of everyone to security in the event of unemployment, sickness, disability, widowhood, old age and other lack of livelihood in circumstances beyond his or her control.

Similarly, focus on social security can be found in International Covenant on Economic, Social and Cultural Rights (ICESCR) 1966.\(^{52}\) Thus, Art. 9 recognizes the right of everyone to social security. Art. 10(2) recognizes the right of working mothers “to adequate social security benefits”. Art. 10(3) require states parties to undertake special measures of protection and assistance for children and young persons. Like wise the Convention on Elimination of All Forms of Discrimination against Women CEDAW, held at Vienna, 1979 also obligates States parties to eliminate discrimination against women in the field of employment, and to ensure equal rights between men and women, in particular. The right to social security, particularly in cases of retirement, unemployment, sickness, invalidity and old age and other incapacity to work, as well as the right to paid leave.\(^{53}\) Article 14(2) recognizes the duty of states to eliminate discrimination against women in rural areas, and, in particular, to ensure to such women the right to benefit directly from social security programs.

\(^{51}\) Article 22 Universal Declarations of Human Rights, 1948.

\(^{52}\) This Convention was adopted by UN General Assembly in 1966 and came in to force in 1976.

\(^{53}\) *Ibid, Article 11(1) (e)*
Similarly, the right to social security has been secured for different sections of the people by the following international and regional instruments:

(1) **Convention on the Rights of the Child, 1989:** Art. 26, recognizes for every child the right to benefit from social security, including social insurance. In addition, Art. 27(1) recognizes the right of every child to a standard of living adequate for the child’s physical, mental, spiritual, moral and social development. Under Art. 27(2) and (3), states parties must, in accordance with national conditions and within their means, take appropriate measures to assist parents to implement this right and shall in case of need provide material assistance and support programs, particularly with regard to nutrition, clothing and housing.54

(2) **Convention on the Elimination of All Forms of Racial Discrimination, 1963:** Art. 5(e) (iv) recognizes the duty of states parties to prohibit and eliminate racial discrimination in the enjoyment, among others, of the right to social security and social services.55

(3) **The International Convention on the Protection of the Rights of All Migrant Workers and their Families, 1990:** Arts. 27 and 54 deal expressly with the social security rights of migrant workers.56

(4) **The European Social Charter, 1961:** Art. 12 requires Contracting Parties to establish or maintain a system of social security at a satisfactory level at least equal to that required for ratification of the International Labour Convention (No.102) Concerning Minimum Standards of Social Security. This Article also contains

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54 This Convention was adopted by UN General Assembly in 1989 and came into force in 1990.
55 This Convention was adopted by UN General Assembly Resolution No.1904 (XVIII) in 1963.
56 This Convention was adopted by UN General Assembly Resolution No.45/158, 18th December 1990.
provisions regarding the taking of steps by Contracting Parties to ensure equal treatment with their own nationals of the nationals of other Contracting Parties in respect of social security rights, as well as the granting, maintenance and resumption of social security rights. Thus Contracting Parties undertake to ensure that any person who is without adequate resources and who is unable to secure such resources either by his own efforts or from other sources, in particular by benefits under a social security scheme, is granted adequate assistance, and, in case of sickness, the care necessitated by his condition.

Art. 13(2) prohibits discrimination against persons who receive such assistance, and Art. 13(3) provides for such advice and help as may be required to prevent, remove, or alleviate personal or family want. Art. 8 Special provision is made for maternity benefits with a view to ensuring the effective exercise of the right of employed women to the protection of maternity. Art. 16 Family benefits are also provided.57

(5) The American Declaration of the Rights and Duties of Man 1948: Art. 16 recognizes the right of every person to social security “which will protect him from the consequences of unemployment, old age, and any disabilities arising from causes beyond his control and make it physically or mentally impossible for him to earn a living”.58

(6) The International Labour Organization (ILO) 1919: Convention No. 102 on Social Security (Minimum Standards) recognizes the following nine specific branches of social security: medical care, sickness benefits, unemployment benefits, old-age

57 This Convention was adopted by UN General Assembly in 1961 and revised in 1996.
58 This Declaration Approved by the Ninth International Conference of American States, Bogota Colombia, 1948.
benefits, unemployment injury benefits, family benefits, maternity benefits, invalidity benefits and survivors’ benefits. Minimum requirements are stipulated as to the coverage of the population, the content and level of benefits, the protection of the rights of contributors and beneficiaries and matters of administration.59

Other Instruments that reflect International Political Commitments

The following instruments also reflects international political commitments to consolidating and expanding social security schemes:

(1) The Copenhagen Declaration and Programme of Action adopted by the World Summit for Social Development 1995. Declaration include "strengthening and expanding programmes targeting those in need, programmes providing universal basic protection, and social security insurance programmes".60

(2) The Beijing Declaration and Platform for Action adopted by the Fourth World Conference on Women 1995. Governments made the following relevant commitments: "to provide adequate safety nets and to create social security systems wherever they do not exist".61

2.5 Social Security in India

The right to social security can be viewed broadly speaking as guaranteeing the material conditions for an adequate standard of living. It serves to protect human beings from the life-threatening and degrading conditions of poverty and material insecurity. It should thus be obvious that it is also possible to derive a right to social security from a number of civil and political rights, such as the right to life, security of

60 Friedrich Ebert Stiftung, supra note 26, p.18.
61 Ibid.
the person, the prohibition of torture and cruel or inhuman and degrading treatment or punishment. The supervisory organs of the various human rights treaties have not yet interpreted these civil and political rights to incorporate a right to social security.

Social security rights may be recognized in national legal systems at a number of different levels. They may be recognized in the constitution of a particular country. Secondly, national legislatures may recognize social security rights through the enactment of legislation giving legal effect to a variety of social security programs. The courts may also protect social security rights through the application of common law rules, for example, the principles of administrative justice. Finally, social security rights may receive protection through a combination of these mechanisms in national legal systems.

Because a country’s constitution is its supreme law, the recognition of the right to social security in the constitution of a country will usually mean that the right enjoys a greater level of protection than if it were simply incorporated in ordinary legislation.

2.5.1 Social Security Strategy in India

The social security schemes available in India may be categorized as Preventive Schemes, Promotional Schemes, and Protective Schemes.

(i) Preventive Schemes:

Preventive Schemes are the Schemes aimed at risk prevention. In the strategy of social management of risks, preventive approach tries to prevent poverty and helps people under below poverty line to come above poverty line. Preventive
health care, vaccinations against diseases forms part of the preventive strategies. Majority of the schemes are of social assistance in nature.

(ii) Promotional Schemes

Promotional social security schemes are mainly of Means tested Social Assistance type, where to guarantee minimum standards of living to vulnerable groups of population, the Governments at the State and Center draft schemes financed from the general revenues of the Government. These are the strategies of risk mitigation. These guarantee:

(1) Food and Nutritional Security by ensuring per capita availability of food grains, access to food, developing agriculture sector, targeted Public Distribution system etc.

(2) Employment security by ensuring employment by generating employment, redeploying the surplus manpower in any sector, creating rural employment opportunities, encouraging technological up gradation.

(3) Health Security by ensuring availability of medical facilities, maintaining standards of sanitation and drinking water, eradication and control of communicable diseases, timely vaccination of children and child bearing women, health insurance, old age homes and social insurance for the elderly.

(4) Education Security by ensuring opening of schools, Encouraging children to attend classes, making education compulsory upto certain age, opening adult learning centers or formulating schemes like Sakshara, running schemes like mid day meals etc.
(5) **Women Security**: by empowering women, encouraging women literacy, banning dowry, designing widow pension schemes.

(6) **Assistance to the disabled**: by undertaking programmes to promote health and education among the disabled persons, providing rehabilitation services and reservations in services so as to enable them to participate in social and economic activity.

All the above form part of promotional social security schemes where State Governments are more involved than the Central Government. Examples of schemes in the promotional social security area include: Food for work, Jawahar Rojgar Yojana, Antyodaya, Rural Landless Labourers Employment Guarantee Schemes, programmes of Integrated Rural Development Project, Drought prone area Programmes, Sakshara, Integrated Child Development Scheme (ICDS), Public Distribution System, reservations for the disabled in services, special educational institutions for the disabled persons etc.

(iii) **Protective Social Security Programmes**

The protective social security programmes help the poor in removing/reducing contingent poverty. In India, the protective social security programmes have been designed to address the contingent poverty or the contingencies defined by the ILO. These programmes take care of old-age income needs (Old age pension), survival benefits ( Provident Funds), medical need of insured families (Medical Insurance), widow and children/dependant economic needs (Widow/Children/orphan, and dependent pension), maternity benefits, compensation for loss of employment and work injury benefits.
2.5.2 Existing Framework of Social Security Schemes for Organized and Unorganized Sector:

(a) Organized Sector:

In India number of labour legislations provide for social security measures for workers in organized sector. The following are the main social security legislations:

(i) The Employees' State Insurance Act, 1948 (ESI Act) which covers factories and establishments with 10 or more employees and provides for comprehensive medical care to the employees and their families as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement.

(ii) The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act) which 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 coalmines and tea plantations.

(iii) The Workmen's Compensation Act, 1923 (WC Act), which requires payment of compensation to the workman or his family in cases of employment related injuries resulting in death or disability.

(iv) The Maternity Benefit Act, 1961 (M.B. Act), which provides for 12 weeks wages during maternity as well as paid leave in certain other related contingencies.

(v) The Payment of Gratuity Act, 1972 (P.G. Act), which provides 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 various social security programmes in India are distributed among various Ministries of the Government of India is shown in the following table 1.

**TABLE - 1**

**Distribution of Social Security Programme across Departments and Ministries: Union Government 1998**

<table>
<thead>
<tr>
<th>Social Security Programme</th>
<th>Sub-Department/Department</th>
<th>Ministry</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Economic Security: Income, Asset, Employment Programmes (Prog.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Jawahar Rojgar Yojana</td>
<td>Rural Emplt /Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>Ministry of Rural Areas &amp; Emplt</td>
</tr>
<tr>
<td>a) Indira Awas Yojana</td>
<td>Housing/ Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>-do-</td>
</tr>
<tr>
<td>b) Million Well Scheme</td>
<td>Other Rural Devt. Prog./ Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>-do-</td>
</tr>
<tr>
<td>2. Integrated Rural Development Prog.</td>
<td>Special Prog. for Rural Devt./ Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>-do-</td>
</tr>
<tr>
<td>3. Training of Rural Youth for Self-employment</td>
<td>Special Prog. for Rural Devt./ Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>-do-</td>
</tr>
<tr>
<td>4. Development of Women &amp; Children in Rural Areas</td>
<td>Other Rural Devt. Prog./ Dept. of Rural Emplt &amp; Poverty Alleviation</td>
<td>-do-</td>
</tr>
<tr>
<td>5. Mahila Samrudhi Yojana</td>
<td>Women’s Welfare/Department of Women and Child Health</td>
<td>Ministry of Human Resource Development</td>
</tr>
<tr>
<td>a) Support to Training &amp; Emplt. Prog.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Prime Minister’s Integrated Urban Poverty Eradication Prog. for Small Towns</td>
<td>Urban Development/Dept. of Urban Development</td>
<td>-do-</td>
</tr>
<tr>
<td>8. Swarna Jayanti Rojgar Yojana</td>
<td>Urban Development/Dept. of Urban Development</td>
<td>-do-</td>
</tr>
<tr>
<td>9. Prime Minister’s Rojgar Yojana</td>
<td>Khadi and Village Industries/ Dept. of Small Scale Industries and Agro Rural Industries</td>
<td>Ministry of Industry</td>
</tr>
</tbody>
</table>
### B) Health and Nutrition

<table>
<thead>
<tr>
<th>1. Disease Control Prog. like T.B., Leprosy, AIDS etc.</th>
<th>Public Health / Dept. of Health</th>
<th>Ministry of Health and Family Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Reproductive and Child Health Prog.- Maternal and Child Health</td>
<td>Family Welfare Services/ Dept. of Health and Family Welfare</td>
<td>-do-</td>
</tr>
</tbody>
</table>

### C) Social Security and Welfare

<table>
<thead>
<tr>
<th>1. Employees Pension Scheme; Family Pension-cum-Life Insurance Scheme &amp; Deposit Link Insurance Scheme</th>
<th>Social Security for Labour</th>
<th>Ministry of Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Social Security and Welfare-Deposit Linked Insurance Scheme</td>
<td>Pensions/ Department of Economic Affairs</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>3. Pensions and Other Retirement Benefits</td>
<td>Pensions/ Dept. of Economic Affairs</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>4. Hut Insurance Scheme for the Poor thro' the GIC etc.</td>
<td>Social Security and Welfare/ Dept. of Economic Affairs</td>
<td>-do-</td>
</tr>
<tr>
<td>5. Labour and Employment Coal Mines Labour Welfare</td>
<td>Ministry of Coal</td>
<td>Ministry of Coal</td>
</tr>
<tr>
<td>6. National Transfer from Labour welfare Funds*</td>
<td>Labour and Employment-Labour</td>
<td>Ministry of Labour</td>
</tr>
</tbody>
</table>

**Note:** This includes Welfare Boards of Beedi Workers; Mica Workers Labourers; Iron Ore Mines; Manganese Ore Mine Chrome; Limestone & Dolomite Mines Labour; and Cine Workers Welfare Fund.

The various pensionery benefits available for organized workers in India the name of the programme, nature of the programme, it's financing & its coverage is shown in the following table .2.
TABLE - 2
EPFO Programmes at a Glance

<table>
<thead>
<tr>
<th>Programme Name</th>
<th>Programme Type</th>
<th>Financing</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Provident Fund (EPF)</td>
<td>Mandatory</td>
<td>• Employer: 1.67-3.67%</td>
<td>• Firms with + 20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employee: 10-12%</td>
<td>employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Government: None</td>
<td></td>
</tr>
<tr>
<td>Employees Pension Scheme (EPS)</td>
<td>Mandatory</td>
<td>• Employer: 8.33%</td>
<td>• Firms with + 20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employee: None</td>
<td>employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Government: 1.16%</td>
<td></td>
</tr>
<tr>
<td>Employees Deposit Linked Insurance</td>
<td>Mandatory</td>
<td>• Employer: 0.5%</td>
<td>• Firms with + 20</td>
</tr>
<tr>
<td>Scheme (EDLI)</td>
<td></td>
<td>• Employees: None</td>
<td>employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Government: None</td>
<td></td>
</tr>
</tbody>
</table>

ESI Contribution Rates

- Employees- 1.75% of wages
- Employers- 4.75% of wages
- State Govts. -1/8th share of expenditure 62

(b) Unorganized Sector

In India, social security programmes for the unorganized sector are inadequate and unsatisfactory. Excepting some medical treatment in the state run hospitals and primary health centers and municipal hospitals there are no time tested social security programmes for the unorganized in the country. Several state governments are also running some old age pension schemes but these are pure social assistance programmes with rigid criteria of selection of beneficiary and with meager amount of benefit- say- 100 to 200 rupees per month. Some States have occupation based social security programmes run by Non-Governmental agencies, particularly in the State of Kerala and Gujarat. Recently the West Bengal Government also has come out with a

62 Ministry of Labour Govt. of India, supra note 7, p. 13 & 14.
programme of social security for the unorganized sector. The Maharashtra Government Mathadi workers welfare fund is also a kind of social security for the workers in the unorganized sector. The coastal Andhra Hamali Association contribution for the provident fund and pension is also an attempt towards social security for the unorganized.

In addition there are welfare funds like Beedi Workers Welfare Fund, Limestone & Dolomite Workers Welfare Fund, Iron ore, Manganese ore & Chrome ore Fund, Mica Mine Workers Welfare Fund and Cine Workers Welfare Fund etc. However, these programs are not answering the big question of income sustenance or income maintenance or old age income security.63

2.5.3 Social Security Expenditure in India

Social security expenditures incurred by all States in India, across promotional and protective categories, is presented in terms of share in GDP, total revenue expenditure and total social security expenditure for the years 1997 to 2002. The following are the main features:

(1) Total expenditure on social security at the level of all states constituted less than 6 per cent of GDP and about 39 per cent of total public expenditure. These expenditures are extremely lower than the recommendation suggested by various expert groups. For instance, the Expert Group Panel has recommended 6 per cent public expenditure individually on education and health.

(2) Promotional social security measures account for nearly 90 per cent of total social security expenditure. Education expenditure has been rising and accounted for over 50 per cent of total social security expenditure. This improvement in education expenditure has been at the cost of health (medical, public health, family welfare, water supply and sanitation) and nutrition expenditures. The share of expenditures on health and nutrition in GDP was about 1.10 per cent and 0.13 per cent, respectively.

(3) Expenditures on protective social security measures were stagnant at 0.6 per cent of GDP and less than 5 per cent of public expenditure. According to the ILO, the total social security expenditure in India as percentage of GDP in 1996 was 1.8 whereas for the corresponding period the social security expenditure in Sri Lanka was 4.7, Malaysia 2.9 and China 3.6. In Argentina, the social security expenditure for the same period as a percentage of GDP reached the level of 12.4 and in case of Brazil 12.2. In comparison to Argentina and Brazil, the expenditure on social security in India is much less.

**International Labour Organization and India:**

India has ratified some Conventions of the ILO including: - The workmen’s Compensation (Accidents) Convention, 1925 (No.17) Workmen’s Compensation, (Occupational Diseases) – (No. 18.), and Workmen’s Compensation (Occupational Diseases (Revised) Convention No. 42 of 1934); Equality of Treatment (Accident Compensation) – No. 19 of 1925; and Equality of Treatment (Social Security) – No. 118 of 1962.

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However, ILO Convention 102 of 1952 has not been ratified by India. The following nine benefits are laid down in the Convention namely, sickness benefit, medical benefit, maternity benefit, employment injury benefit, old-age benefit, invalidity benefit, survivors benefit, unemployment benefit and family benefit.\textsuperscript{66} Though India is not yet sufficiently developed economically, now it is the need of the hour that India must ratify the above convention immediately. It is also Constitutional obligation to provide the minimum social security needs to the people. Further the benefits provided to industrial workers under the Employees’ State Insurance Scheme are not up to the permissible minimum standards prescribed, particularly in respect of coverage and scale of benefits regarding medical care.

**Recommendations of Second National Commission on Labour on Social Security:**

Second National Commission on Labour has made the following recommendations for streamlining social security measures in India. They are:

(a) In order to give a better focus to social security, a more direct approach is called for, especially in the context of the commitments made to the United Nations by ratifying the Covenant of Social, Economic and Cultural Rights.

(b) A national policy on social security should be formulated with a view to ensuring direction. While evolving the policy, the Constitutional obligations outlined in the Directive Principles of State Policy of the Constitution concerning social security should be kept in view.

The system envisaged comprises of four tiers, namely:

\textsuperscript{66} Supra note 7, p.10.
Social assistance programmes financed wholly by taxes and from the exchequer. These will mostly have to be area-based schemes,

Schemes which are partly contributory and partly subsidized by the State,

Wholly contributory social insurance schemes, and

Voluntary Schemes.

Destitute and people below the poverty line, who cannot make any contribution for their security, may be covered under the tax based scheme in the first tier. Worker in the unorganized sector who have some contributory power but cannot be self-sufficient may be cover under schemes in the second tier. Those, who either by themselves, or jointly with their employers, can make adequate contribution to the schemes so as to be self-sufficient, may be covered under social schemes in the third tier. Others who are comparatively affluent and can make their own provision for meeting the contingencies or risks as they arise, may be covered under voluntary schemes which the new insurance companies can provide.67

2.5.4 Existing Framework of Social Security Schemes: An Analysis

India is a vast country in terms of area as well as population. It has a total area of 3288 thousand Sq. km. and a population of over a billion that is growing at just under 2% per annum. Dependency is high, with the ratio of the working population to non-workers being 38:62 (1991 census). Out of the nearly 400 million workers, only a third are women. Almost one fourth of the total labour force is estimated to be unemployed or under employed.

The occupation wise distribution of employment indicates that 62% of the workers are engaged in agriculture, 11% in Industry and 27% in the services sector.

A characteristic feature of the employment situation in the country is that the percentage of workers employed on regular salaried employment (16%) is small. The bulk of the work force is either self employed (53%) or employed in casual wage employment (31%).

In India, out of an estimated work force of about 397 million, around 28 million workers are having the benefit of formal social security protection. Rest of the workers are in the unorganized sector. Several and successive attempts have been made in the past to address the multifarious problems faced by the workers in the unorganized sector through legislative as well as programme oriented measures. Even though these measures have not succeeded in achieving the desired object partly on account of the ignorance, illiteracy and lack of unionization of workers on the one hand and the resource constraints of the State on the other.

Another major disadvantage is social security programmes at present are being run by different Ministries like EPF & ESIC under Ministry of Labour, Medical care by Ministry of Health, Food security by Agricultural Ministry, IRDP etc. Programmes by Ministry of Rural Development. Old-age benefits in the informal sector by Ministry of Social Justice and Empowerment. The Budgetary allocation for various programmes under various Ministries, multiplicity of agencies and duplicity of benefits has become a major concern for the policy makers. Such an isolated department-wise initiative of providing social security has reduced the overall impact of all the programmes since bulk of expenditures get siphoned to administrative expenditures and interest payments.

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A very fundamental handicap in the matter of registration and coverage of eligible categories of workers under social security schemes, whether being run by Central Government agencies or State Government agencies is the lack of a national enumeration for the workforce. Even amongst the workers who are covered by different schemes in operation under control of Central Government or State Government, no nationally unique number is prevalent or available. Each agency that registers such workers and delivers benefit allots its own separate number, none of which are nationally unique.

Only 0.2% of GDP is allocated for Social Security. Out of the scarce resources allocated, most of them do not reach the concerned populations because of high red-tapism. Though there are many laws and legislations to protect many vulnerable groups, the justice is often delayed. There is a big gap between the policy and implementation. Also the laws and legislations are only enforced in 10% of the economy, which is the organized sector. The well designed social security system for the workers in the unorganized sector will help in improving productivity, contribute to the harmonious labour relations and thus to socio and economic development. It will encourage and propagate the social peace by reducing the frequency of industrial conflicts, increase the willingness to work, make it easier to meet delivery commitments and lead to improved quality product, a better investment climate and thereby enhancing the competitiveness of the economy.

Effective enforcement of social security legislations through institutional mechanisms would impact on the level of trust and confidence of the working class. There is a felt need to look at the delivery mechanism in implementation of the Acts
like EPF & MP Act, the ESI Act, Minimum Wages Act, Maternity Act, Workmen Compensation Act and the Payment of Gratuity Act.

2.6 Conclusion

To sum up, social security is a system of protection of individuals who are in need of such protection because of their vulnerable position due to factors like retirement, retrenchment, disablement, old age and sickness. The state in a welfare state is under an obligation to evolve a social security scheme for the purpose. It is rightly believed that the men and women who benefit from such security would be free from anxiety about their future and would be more productive. In India, the Hindu Joint Family System provided the best security to the members. But with the growth of Industrialization, with couples working, lifestyles changing, values eroding, western ideas gnawing at tradition and the power of money rising, it is the elderly population that is facing the heat. It is needless to say that it is the bounden duty of every society to ensure that each child born regardless of the denominations that he was born into should be ensured social security. Each individual should be given an opportunity to realize a happy life and no worker who has contributed to society should be made to die of hunger and other needs. The social safety nets were required to protect each member of the society.

Various International Human Rights Instruments have focused on providing for social security schemes for different sections of the society. In India, there is a need to strengthen social security schemes in the unorganized sector. India has yet to realize the dream of a socially secure society at the earliest.