



## A CONCEPTUAL STUDY ON SOCIAL SECURITY MEASURES IN INDIA

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### **Abstract**

Social security is the protection given by society to its members against contingencies of modern life such as sickness, unemployment, old age, invalidity, industrial accidents, etc. The basic purpose of social security is to protect people of small means from risks which impair a person's ability to support himself and his family. The securities measures are generally specified by law.

Any of the measures established by legislation to maintain individual or family income or to provide income when some or all sources of income are disrupted or terminated or when exceptionally heavy expenditures have to be incurred (e.g., in bringing up children or paying for health care), social security may provide cash benefits to persons faced with sickness and disability, unemployment, crop failure, loss of the marital partner, maternity, responsibility for the care of young children, or retirement from work. Social security benefits may be provided in cash or kind for medical need, rehabilitation, domestic help during illness at home, legal aid, or funeral expenses. It acts as a facilitator – it helps people to plan their own future through insurance and assistance. This paper covers the history, constitutional provisions, types, social, security measures in India, its benefits and drawback.

**Key Words: Constitutional Provision, Social Security, Benefits, Legislation.**

### **Introduction**

India, being a welfare State, has taken upon itself the responsibilities of extending various benefits of Social Security and Social Assistance to its citizens. The social security legislations in India derive their strength and spirit from the Directive Principles of the State Policy as contained in the Constitution of India. Although the Constitution of India is yet to recognise Social Security as a fundamental right it does require that the State should strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice social, economic and political shall inform all the institutions of national life.

Specially, Article 41 of the Constitution requires that the State should within the limits of its economic capacity make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement. Article 42 requires that the State should make provision for securing just and humane conditions of work and for maternity relief. Article 47 requires that the State should raise the level of nutrition and the standard of living of its people and improvement of public health as among its primary duties. The obligations cast on the State in the above Articles constitute Social Security.

### **Objectives**

#### **Social Security Measures Aim at Three Things**

- Compensation- offer financial help when the workers are in a state of physical distress due to accidents, sickness, invalidity, diseases, and old age.
- Restoration-Enable the worker to recover from the shocks injected by the inhuman industrial work, rehabilitates himself and get on with his work in usual manner.
- Prevention-Extend monetary assistance to workers so that they can get rid of sickness, idleness, disease etc.

### **History**

- Germany was the first country to introduce Social security scheme (1883)
- Each member of a particular trade (blacksmiths, painters, weavers etc) was required to contribute at regular intervals;
- Money from this fund was used for food, lodging, hospital and funeral expenses of aged and disabled members.
- In USA, Social Security Act came into existence in 1935.

### **Social Security in India**

- India has always had a Joint Family system that took care of the social security needs.
- However with rise of migration, urbanization, nuclear families and demographic changes, Joint family system has declined. Hence we need a formal system of social security.



Drawing from the constitution of India and ‘‘ILO Convention on social security’’(ratified by India in 1964),some of the legislation that have been enacted for social security are Employees ‘State Insurance Act,1948,Workmen’s Compensation act,1923,Employees Provident Fund and Miscellaneous Provisions Act,1952,Maternity Benefit Act ,1961,Payment of Gratuity Act,1972,etc.A social security division has also been set up under the Ministry of Labor and Employment which Mainly focuses on framing policies for social security for the workers of organized sector.

Apart from above mentioned enactments, since the last decade the government has initialized efforts to extend the benefits to the unorganized sector too. Legislative enactments like the National Rural Employment Guarantee Act, 2005, Unorganized Sector Workers Social Security Act, 2008 and the Domestic Workers (Registration, social security and welfare) Act, 2008 are examples of same.

Also, there is unorganized workers social security act, 2008 which targets as extending social security measures to unorganized sector workers. The law thereby aims at extending to workers to informal sector status and benefits similar to that of formal sector workers. On the same lines, Domestic Workers Act, 2008 has also been enacted. The legislation aims at regulating payment and working conditions of domestic workers and entitles every registered domestic worker to receive pension, maternity benefits and paid leave that is a paid weekly off.

**Social Security: Constitutional Provisions**



**Fig.1. Constitutional Provision of Social Security**  
 Sources: From Mrunal.Org

**Types**

**Social Security Benefits Provided in Two Major Ways in India**

**1. Social Insurance**

In this scheme, common fund established with periodical contributions from workers out of which all benefits in cash or kinds are paid. The contributions of the workers are nominal which generally does not exceed their paying capacity. The employees and the state provide the major portion of the finances. The primary purpose of the fund is to provide for a



minimum standard of living to the beneficiaries during the period of partial or total loss of income. Benefits such as PF, Group Insurance, are offered on the basis of the contribution record of the beneficiary without any means test (whether he is financially sound or not).

## 2. Social Assistance

In this case, benefits are offered to person of small means by the government out of its general revenues. It is the State which takes the lead offering certain benefits to common people. Workers and employees do not contribute to such benefits in any manner. The benefits such as old age pension are granted as a matter of right they are provided free of cost, provided certain conditions are satisfied.

### Social Security Laws in India



1. Employees' State Insurance 48
2. Employees' Provident Funds 52
3. Workmen's Compensation 23
4. Maternity Benefit 61
5. Payment of Gratuity 72

### Social Security System in India - Drawbacks

- Cover only workers in organised sector
- Does not offer unemployment insurance
- Several schemes have in-built weakness, as a result, the beneficiaries is put to lot of trouble and inconvenience.
- Lack of funds, facilities, trained staff to implement the schemes.
- There is considerable overlapping of schemes.
- Most measures are in the nature of social assistance and not social insurance.
- Mostly employers have to make contribution

### Conclusion

These measures have, more or less, been in the nature of social assistance and not social insurance. They have not been able to mitigate the distress level of workers even in the organized sector, due to shortage of funds, Making the employer entirely responsible for making social security contributions is also not healthy sign.

In summary, the record of social security measures in India, therefore, is one of noble intentions, constitutional mandates, legislative provisions, a large number of schemes and programmes. But judged from their impact on the conditions of life of the people, they cannot be claimed to be particularly successful in achieving their objectives.

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