

CHAPTER NO. 1

(A) Introduction :-

Social Security Scheme in India :-

Basically every state is a welfare state. So every economic system, whether it is a capitalist economy, a socialistic economy or a mixed economy like India, has to play a critically important role as an instrument of planned economic development for achieving the above mentioned objective of welfare of the people.

The concept of welfare implies that strategy of that economic development in which there is economic development with social justice. It means in a capitalistic economy a Government should try to distribute and allocate the gains of economic development in the various sections of the society. So that there should not be concentration of wealth and income in the country. Philosophically, even socialistic economy particularly centralised planned economy does every thing for the welfare of the people.

But a mixed economy in which both private and public sectors have integrated role to play for economic development. As a welfare state many efforts are being made in India for improving the economic condition of the workers at large, when the private sector rather hesitates

to do the welfare of the workers then the Governments interference in the form of social legislations, such as Labour welfare fund, Labour welfare act, factories act, mine act, contract labour act, and state insurance act etc. all these acts provides the labour welfare activities to the workers.

Social Security measures :-

Social security measure is one of the main aspects of labour welfare activities. Basically this term was adopted by Newzealand Govt. A scheme of income security for all citizens. By definition a social security implies a security for all the workers to safeguard their interest and it provides protection and help against risk and accidents in the case of workers.

Now the definitions, According to Sir William Beveridge, "Social Security is an attack on five giants namely Want, Disease, Ignorance, Squalor and Illness" security against want implies that every one in the society has to get reasonable remuneration in return for his services by which he can lead a minimum standard of living and can look after his dependent. Security against ignorance means providing greater educational facilities to all the members of society, security against the

giant of squalor means, security against all those evils which come through the unplanned and unorganized growth of cities; In other words it means the planned and organised growth of cities, industries and other means of production, security against illness means, to provide medical facilities to every citizen according to his income and means.

The International Labour organization has defined social security as, "The security that society furnished through appropriate organisation against certain risks to which its members are exposed these risks are essentially contingencies against which the individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. It is characteristic of those contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency".

It can be said from the above definitions the concept of social security implies that every firm and or Govt. must provide all sorts of economic social and cultural facilities to maintain human dignity and status of the workers at large. Moreover it has become obligatory on the part of private and public organisations to adopt social security measures even for raising the production efficiency.

Growth of social security :-

The concept of social security holds its ground particularly from the first world war. This has been accepted as a universal means. The concept of social welfare many international reports such as Beveridge Report, 1942; the Wagner Murray Dingell Bill, 1943; the Marsh plan of Canada, 1943 and its practical application in Denmark, Bulgaria, Newzealand, Austria, Czechoslovakia, Poland, Estonia, France, Greece, Hungary, Japan, Yugoslavia and Lithuania have moved in the direction of equal contribution by employers and employees. In these countries the state does not contribute anything Bulgaria and Latvia have moved in the direction of equal contribution by employers the employees and the state.

The social security scheme in India :-

The beginning of social security scheme can be said as an commitment of the Govt. According to the constitution of India which says the constitution, "make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age sickness and disablement and other cases of unserved want". As soon as our country become politically independent the social security was started by passing

of the law the employees state insurance Act 1948, followed by employees provident fund 1952 even before that in India we had some sincere efforts in the form of social insurance and social assistance.

Social security before independence :-

Up to World war I there was no significant growth of industries in India hence the labour laws were very limited in scope only Factories Act, Mining Act and Workmen's Beach of contract Act, was in existence.

Up to 1925, there was no statutory provision for assistance to any worker for even common hazards of life. There was not any provision for medical care. There was no compensation for the loss of wages during the periods of unemployment, sickness, disability of maternity. Even in accident no relief was available to the workers.

After the World War I industries were considerably increased consequently increase in the number of industrial employees and with that life of workers become insecure, hence to protect their economic interest the instrument of social security becomes more useful. International Labour Organization it was pointed out by civilized countries that in India there was no social security measure in existence. Then Indian representative

assured that steps would be taken to form a legislation giving right of compensation to the workers.

The First legislative measure was adopted in 1923. The workmen's compensation Act was enacted in March 1923 & put into force on July, 1924. This step actually makes the beginning of social security movement in India. The presidency of Bombay was the first to pass the maternity Benefit Act in the year 1929. But this Act failed to provide adequate social security.

Royal commission on Labour :-

The problem of social insurance came up before Royal commission for consideration Royal Commission was appointed in the year 1929. Submitted its report in 1931 in which it examined the problem of maternity in India The Royal Commission on Labour also pointed out certain difficulties in the way of working a scheme of sickness insurance.

Adarkar's Scheme of Health insurance :-

Indian Govt. appointed Prof. B. P. Adarkar of Allahabad University as a officer on special duty in March 1943, to report as to in the possibility of providing health insurance for industrial workers in India. he submitted his report in August, 1944.

This scheme was to be limited to three major groups of industries, i.e. all textiles, all engineering and all minerals and metals works with a few minor scheduled exceptions. The following are fundamental principles of basis of Adarkar's scheme -

- 1) The scheme must be compulsory and contributory.
- 2) The scheme must be financially sound and economical in working.
- 3) Workers whose income is less than Rs. 200/- were to be included in the scheme.
- 4) The lower and upper age of limits of the coverage of the scheme will be 12 and 60 respectively.
- 5) The principle benefits to accrue from the scheme should be cash benefit and medical benefit and also maternity benefit as an ancillary measures.
- 6) Health Insurance Fund shall be created out of employers and workers contribution and other assistance from the central and appropriate Government.

Govt. requested the Indian Labour Organisation to send some experts to examine the Adarkar's scheme Mr. Stack and Mr. R.Rao, the experts of I.L.O. came to India Mr. Stack and Mr. Rao agreed with most of the proposals of Prof. Adarkar but suggested three main modifications and they went as under,

- 1) Separation of administration of medical and cash benefits.
- 2) Integration of Maternity and Workmen's Compensation in Health Insurance Scheme.
- 3) Extension of scheme to all pennial factories covered by Factories Act and also to non-manual workers.

On the basis of the Adarkar Report and the note submitted by I.L.O. experts, the Government of India prepared a bill and introduced in the constitutional Assembly on 6th November 1946. But immediate after then India got freedom in 1947.

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