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CONCEPT OF SOCIAL SECURITY MEASURES

The term Social Security is multidimensional in its form and contents. In fact, it is inclusive of social Assistance as well as social insurance The dimensions of Security through legislative means are undergoing revolutionary changes with the advance of industrial development. In Industrially developed countries, industrial labour is well educated and more disciplined and quite awaken to social responsibilities. On the other hand in Industrially developing countries like India there is not so much awareness or awakening among industrial worker.

The concept of social security is based on the ideals of human dignity and social justice. It varies from country to country and from time to time. In United States the term social security used to denote old age, survivors, invalidity and health insurance schemes, which function under the control of the Federal governments. In Britain the term social security includes social assistance as well as social insurance schemes and it is inclusive of National insurances schemes. Industrial Injury schemes and also social assistance under which even supplementary benefits are provided to the workers.

IMPORTANCE OF SOCIAL SECURITY:

Social Security is now considered in all advanced countries of the world as an indispensable chapter of all national program to strike at the root of poverty and unemployment. Its connection is gradually being extended and amplified.

For a country like India. Social Security has a two fold importance. It constitutes an important step towards the goal of a welfare state, by improving working conditions and affording people protection against the hazards of future. The social security measure also effect the industrial development through making workers efficient and reducing waste arising from industrial disputes, because with these measures a worker feels social and economic security and therefore he puts his heart and soul in increasing production. Social security furnishes the society through appropriate organisations against certain risks to which its members are personally exposes.

POLICY DIRECTIVES AND GUIDELINES

SOCIAL SECURITY MEASURES IN INDIA

Ancient Indian Society had developed its own independent social security system in the shape of (a) the self sufficient village community (b) caste system (c) craft guilds, (d) the joint family and (e) the organisation of charity. All these five shapes has no significance value now. The growth of social security in India can be divided into the following four periods:

1. Period of Indifference: i.e. period upto 1918, when organised industries like jute, cotton textiles, and mining were started in the 19th century, industrial workers had no protection whatsoever in the nature of social security. It was after the world war I that the labour laws were passed to protect the workers engaged in Industrial enterprises.

2. Period of agitation: i.e. 1918-1936, during this period though no achievement of the nature of security was attained but an agitation was made to have certain social insurance schemes. The factors responsible fcr this agitation were (i) industries rapidly progressed (ii) prominence was given to labour problems and the matters associated there with due to the wave of strikes and such other disturbances (iii) growing the interest was taken by ILO and (iv) progress was made in the organisation of workers themselves. As a result, Government of India, amended the Factories Act in 1922 to authorities the Courts to order

the whole or part of a fine, imposed on the employer, for an offense resulting in bodily injury or death to a worker to be paid as compensation to the injured person or his dependents. This was followed by the enactment of the Workmen's Compensation Act in 1923. This act is sometimes regarded as the first social insurance measure in India. Maternity was the second contingency covered for which the schemes of benefit were introduced in several States e.g. Bombay (1939). Madras (1934), UP (1938), Bengal (1939). Also Royal Commission on labour submitted its report in 1931 in which examined the problems.

3. period of action making i.e. from 1939-1947 during this period industrialisation of the country had gone substantially ahead and the problems of labour were becoming prominent in national life. The stage was thus set for the consideration in India for the problems of social security in a partial and business like manner. At that time labour affairs were incharge of progressive labour member Dr.B.R.Ambedkar, who under him has a team of equally serious land progressive officers. They, therefore, took concrete steps to take a beginning, however humble, in the sphere of social security.

4. Period of Action: i.e. from 1948 onwards,. Though India became independent on 15th August 1947, the transfer of power took place in 1946 when an interim government was formed. The interim government formulated a five year program for the welfare of the labour class. The significance features of the programs were:

a) Organisation of Health Insurance Scheme, applicable to factory workers to start with;

b) Revision of workmen's Compensation Act;

c) A central law for maternity benefit; land

d) Extension to other classes of workers of the right within specific limits, to leave with allowances during the sickness.

Though many schemes were drafted in the period proceeding to this year the Government ;of India was able to take steps land introduced only one viz. the Adarkar-Stack & Rao Scheme. India is an avowedly socialist State. Social justice is said to be the signature tune of its Constitution. Article 41 of the Indian Constitution - Directive Principles of state Policy - requires that the States should, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education, and to public assistance in case of unemployment, lodged, sickness, disablement and in other case of undeserved want. Article 41 requires that the State should regard the raising the level of nutrition and the standard of life of the people and the improvement of public health as among the primary duties. The Supreme Court has held that although these provisions are not enforceable, being only directive principles, and not mandatory provisions they are nevertheless fundamental to the governance of the country and it is the duty of the State to apply them in making laws.

In India there are numerous statutory measures providing social security for employ ees.

PROFESSOR ADARKAR'S SCHEME OF HEALTH AND INSURANCE :

The Tripartite Labour Conference of 1943 passed a resolution unanimously asking the Government to set up a machinery to investigate into the questions of wages land earnings, employment and housing as well as social conditions in general. It was further recommended that after getting necessary statistics the Central Government should take steps to formulate plan of health insurance. Consequently the Government of India appointed in March 1943 Professor B.R.. Adarkar to prepare a scheme of health & insurance for the Industrial workers. He submitted his final report in August 1944.

The following were the main features of the Adarkar Plan :-

Assumption of the Plan: (1) Adoption of the scheme of unemployment insurance and creation of new employment through a drive for rational planning and development; (2) the establishment of the scheme of old large pensions so that the old age burdens may not be shifted on the health insurance; (3) the adoption of certain premedical measures such as regulation of wages, rigorous enforcement higiene and housing, etc. and a national health drive.

Fundamental Principles: The fundamental principles of Adarkar plan were (1) Scheme must be compulsory; must be simple, clear and straight forward; (4) it must take the existing labour legislation as its formal basis (5) the scheme must not too ambitious; (6) it must be financially sound; (7) it must minimise disputes and litigation; (8) it must be workable in peculiar circumstances of Indian Labour & Industry; (9) It must be in conformity with ILO Conventions; and (10) it must not be inappropriately burdened with financial responsibilities.

Scope: The scheme should cover all major groups industries. However, exceptions were given to (1) employment in armed forces; (2) employment in public departments; (3) employment in public utilities; (4) factories in sparse areas and (5) private factories for which exception has been granted.

Personal Coverage: Workers under the scheme were to be classified as permanent, temporary and contribution.

Benefits: Both cash and medical benefits were to be paid and for cash benefits the eligibility criterion was 6 monthly and medical benefits was to be given to workers, without any condition as to qualifying period or waiting period from first day of illness and upto recovery subject to certain rules regarding a protective period.

THE EMPLOYEES STATE INSURANCE ACT, 1948

The employees State Insurance Act, 1948 (which received the assent of the governor-General on 19.4.48) marks the first important step on the road of the comprehensive plan of social security. It was, however, not brought into force immediately because of the magnitude of the problems, the Act permitted the implementation of the scheme on a phased manner. the Scheme was inaugurated by Shri Nehru in Kanpur and initially it covered Kanpur and Delhi with about 1.2 lakh workers. Since then it has been progressively implemented in other areas. the act originally applicable to all factories other than seasonal factories and it covered employees getting not more than 400 per month. The act also been extended to State Government employees. The application of the act is area wise rather than establishment wise. For proper administration of this scheme, 3 institutions have been set up, viz. (i) Employees State Insurance Corporation; (ii) Standing Committee of the Corporation and (iii) Medical benefit council.

This Act was established in 1948 and body incorporated under special act of parliament and is most important of three institutions, Besides, the corporation is also empowered to promote measures for the employment of health and welfare of insured persons and for the rehabilitation. The Corporation may be regarded as the parliament of social insurance.

The Standing committee consists of elected members who are executive of the administration of the insurance. The Medical benefit Council is more or less specialised body to set up to advise on matters relating to the administration of the medical benefits, the certification for the purpose of grant of benefits and other similar connected matters.

ESI has 22 Regional Offices, 4 Sub Regional Offices, 328 local offices, 104 Miniature local offices, 3 Sub level offices, 279 pay offices, 203 Inspection offices by end of March 1994.

The finance for the scheme was mainly derived from (a) Contributions from employers/employees (b) Subsidy from Govt., (c) Grants and donations/gifts from Govts. The benefits covered under the scheme are Sickness, Maternity, Employment injury, Disability benefit, Dependent benefit, Funeral Benefit, Medical benefit etc.

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EMPLOYEES PROVIDENT FUND & MISC. PROVISION ACT, 1952.

The necessity was long felt for instituting compulsory provident fund scheme for the industrial workers in India. This subject was for the first time discussed in the Labour Ministers Conference in 1942.

The Labour Ministers Conference on 1951 at Patna unanimously provident fund. As a result, Government of India promulgated an Ordinance on 25.11.51 in this regard and which was replaced by an Act passed in February, 1952 known as "Employees Provident Funds and Miscellaneous Provisions Act" with an objective of making some provision for the future of Industrial workers after the retires for the dependents in case of his early death and to inculcate among the workers the spirit of the saving. Under the Act, the Central Government has framed three schemes called - Employees Provident Funds Scheme, Employees Family Pension Scheme land the Employees Deposit Linked Insurance Scheme. All these scheme are administered by the Central Board of Trustees - tripartite body consisting of 5 nominees of the Central Government one nominee from each state, 6 nominee from prominent employers and Board Trustees will function the Labour Minister who is the Chairman. The Board has set up 16 Regional Offices, 22 sub regional office for administering the scheme, Regional committees work for each region.

Contribution: Both employers and employees of the scheduled industries are required to contribute the fund. The contribution of the employer is 6-1/4% of the basic wages and D.A. including the cash value of food concessions and retaining allowances, if any. However, employer contribution is equal contribution payable by employees if they desire so, they may contribute at a higher rate upto 8% employees contributions are deducted from the wages by his employer and later is held responsible for remitting the fund with respective regional office of the scheme.

Advances: The scheme provides for payment of the following non refundable advances to meet certain contingencies:

i) financing of LIC policies
ii) housing building
iii) purchasing shares of co-op. Society
iv) during temp. closure of establishment
v) illness of members/dependents
vi) member's marriage/dependent's marriage
vii) education for children etc.

Refund & Claims:

The PF is refundable with interest in the event of:

i) normal retirement
ii) retirement due to incapacity
iii) death
iv) retrenchment
v) migration & settlement outside India
vi) leaving services for any reason.

Payment of accumulation in the fund to a member has to be made to the members of the diseased a family in equal shares if there is no nomination. However, no share is paid to (i) sons who have attained majority, (ii) married daughter's whose husbands are alive, (iii) married daughter's of a diseased son whose husbands are alive.

EMPLOYEE'S FAMILY PENSION SCHEME, 1971.

A new scheme for the benefit of the families of industrial and commercial employees was introduced by Central Government under the ordinance No.3 of 1971 which after enactment became the Employees Family Pension Scheme 1971. It became effective from 18.3.71. The purpose of the scheme has been to provide family pension and life assurance benefits to the employees covered under this scheme. It became compulsory to all employees who become members of PF. The pension is provided to the members in case of their death while in service. The scheme is financed by employees share of contribution of 1-1/6th of the pay and an equal amount deducted from the employers contribution with the Central Government contributing another 1-1/6th of the pay of the member. Family pension is payable in the members dies while in reckonable service before attaining the age of 60 years and he/she contributed pension fund for not less than 2 years.

Whom payable: The family pension is payable to (i) the widow or widows upto the date of death or remarriage whichever is earlier; (i) falling to the eldest surviving minor son until he attains the age of 18 years; (3) failing both these to the eldest surviving unmarried daughter until she attains the age of 21 years or marries whichever is earlier. Pension is not payable to more than one person at a time, however, if there are two or more widows pension is payable to the eldest surviving widow. On the death or remarriage, the pension will not be given to minor children.

DEPOSIT LINKED INSURANCE SCHEME:

The scheme came into force from 1.1.76. It is applicable to all factories/establishments to which the Employees Provident Fund Act 1952 applies. The special feature of this scheme is that the members are not required to contribute to the insurance fund. Only the employers and Government required to pay contributions. The employers are, however, required to pay contributions to the Insurance Fund @0.5% of the pay of the employee who are PF Subscribers. The Govt. share to the insurance fund is 0.25% i.e. half of the employers contribution. Under the scheme, the nominees/members of the family of employees of covered establishments will get in the event of death of employee while in service an additional amount equal to the average balance in the PF account of the diseased during preceding 3 years. There is provision in the scheme for exemption factories/establishments which have an insurance Scheme approved by government and conferring more benefits than those provided under this statutory scheme, if a majority of the employees are in favour of such exemptions.

PAYMENT OF GRATUITY ACT ;

Till August 1972 there was ;no Central Act to regulate the payment of Gratuity to industrial workers. In 1971, kerala government enacted legislation for the payment of Gratuity to the workers employed ;in factories, plantations etc. and subsequently followed by other States. Finally govt. of India has brought an enactment on payment of Gratuity Act which became effective from 16.9.72.

In order to eligible an employee should have put in an uninterrupted services, during the 12 months immediately preceding the year for not less than (i) 190 days if employed below the ground i.e. Mines etc. (ii) 240 days in any other case. The gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years; (a) on his superannuation, or (b) on his retirement or resignation, or (c) on his death or disablement ;due to accident/disease. However, continuous 5 years service for earning gratuity is not necessary if the termination of the employment of any employee is due to death or disablement.

For every completed year of service or part there of in excess of sic months, the employer has to pay gratuity to an employee at the rate of 15 days wages of the last drawn and the amount of gratuity payable to an employee is not to exceed 20 month's wages.

COAL MINES PROVIDENT FUND FAMILY PENSION & BONUS SCHEME ACT 1948.

It is an Act which provides for the framing of PF Scheme (family pension scheme) and Bonus Scheme for persons employed in Coal mines. it extends to all coal mines ;in the public and private sector all over India. The workers of coal mines are compulsory required to contribute ;8% of their total emoluments. The employers make a matching contribution. the scheme is administered by a Board.

WORKMEN'S COMPENSATION ACT 1923.

The Act provides for payment of compensation to a workman in case of injury by accident arising out of and in course of his employment. it came into force from 1.1.1924. This Act is not applicable wherever ESI Act 1948 is applicable.