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Social Security in India

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ABSTRACT

Social security is vital for the well – being of people and society, it is one of the key components of labour welfare. Labour welfare refers to all such services, amenities and facilities to the employees which improve their working conditions as well as standard of living. It envisages that the employees shall be protected against all types of social risks that may cause undue hardships to them in fulfilling their basic needs. Starting from the minimal level of providing protection against health and life hazards in work situations, it can progressively be extended to social security welfare measures involving provision of better health care, maternity care, old age provisions, etc. The Indian manufacturing industry is an emerging sector and has all the qualities to further enhance the economic development of the country. In fact, this sector is fueling growth, employment and enhancing the other industries such as agriculture and service. In the last few years, the industry has excelled so much that it is good enough to compete in global markets.

KEYWORDS: Welfare, Security, India, Industry

INTRODUCTION

Social security is one of the key components of labour welfare. Labour welfare refers to all such services, amenities and facilities to the employees that improve their working conditions as well as standard of living. Social security benefits provided by an enterprise should protect not only their employees but also their family members through financial security including health care. Social security envisages that the employees shall be protected against all types of social risks that may cause undue hardships to them in fulfilling their basic needs. Social Security is "any kind of collective measure or activities designed to ensure that members of the society meet their basic needs. As well as being protected from contingencies to enable them to maintain a standard of living consistent with social norms".Social security is referred as "the provision of benefits to households and individuals through public or collective arrangements to protect against low or declining standard of living arising from a number of basic risks and needs.

OBJECTIVES OF THE STUDY

- To know about the social security of Employees
- To study the unorganized sector workers
- To review the social security in India

SOCIAL SECURITY IN INDIA

India has a very basic social security system catering to less than 10 % of the country's workforce. Traditionally, Indians relied on their extended families for support in the event of illness or other misfortunes. However, due to migration, urbanization and higher social mobility, family bonds are less tight and family units much smaller than they used to be. So far, neither the state nor private insurance companies have quite stepped up to fill this gap.

There are two social security plans in India, the Employees' Provident Fund Organization(EPFO) for pensions and the Employees State Insurance Corporation (ESIC). By law, all organizations with more than 20 employees that fall within the 180 industries or classes of establishments detailed on the EPFO website are covered by the scheme. The ESIC originally applied only to factories employing 10 or more people, but it is being extended to shops, hotels, restaurants, cinemas, road motor transport undertakings and newspaper establishments with more than 20 employees. However, government enforcement strategies are not very efficient and many employers who should pay contributions for their staff fail to do so. Moreover, the "unorganized" sector, i.e. enterprises – mainly in agriculture – which are not legally covered by any form of social security, is disproportionately large. Only 11% of the population has any form of health insurance, and 92% of the workforce has no access to the state pension scheme

UNORGANIZED SECTOR WORKERS

The so-called unorganized sector has not been defined any where scientifically. Nor was there any serious attempt to define this word or phrase. However, this term was used to speak of availability or non-availability of certain benefits or rights to the working class outside the organized sector. Sometimes this sector is also termed as informal sector. The first National Labour commission has however tried defining this term to some extent for the purpose of their report. We may use the same analogy for our understanding. The commission opined "the group

of workers, who cannot be defined by definition but could be described as those who have not been able to organize in pursuit of a common objective because of constraints such as:

- Casual nature of employment
- Ignorance and illiteracy
- Small size of establishments with low capital investment, persons employed
  Scattered nature of establishment and.
- Superior strength of employer operating singly or in combination.

GOVERNMENT INITIATIVES

A number of social security programmes are being implemented by both the central and state governments for the benefit of unorganised workers. The model that has been adopted in most of these programmes is of welfare funds. A few schemes have also implemented by the central government either directly or through insurance companies. Separate legislations have been enacted by the parliament to set up welfare funds to be administered by the Ministry of Labour for providing housing, medical care, social security, education and recreational facilities to workers in selected mining operations, beedi-making and production of feature films.

THE UNORGANISED SECTOR WORKERS - SOCIAL SECURITY ACT- 2008

The Ministry of Labour & Employment drafted the „Unorganised Sector Workers Bill, 2004 which inter-alia envisages to provide for safety, social security, health and welfare matters. The National Advisory Council (NAC) has forwarded a draft Bill namely The Unorganised Sector Workers Social Security Bill, 2005. In the meantime, the National Commission for Enterprises in the Unorganised Sector (NCEUS) on the request of Ministry of Labour & Employment has also drafted two bills i.e.

i. Unorganised Sector Workers (Conditions of Work & Livelihood Promotion) Bill, 2005 and
ii. Unorganised Sector Workers Social Security Bill, 2005.

All the four draft Bills were examined in consultation with all stakeholders. In August 2005 and May 2006 the NCEUS submitted two reports to the Prime Minister containing draft legislation on securing the con-

ditions of work and creating a social security scheme for unorganised sector workers. The various draft legislative proposals were consolidated by the NCEUS in July 2007. In its deliberations, the NCEUS found the need for separate laws to differently protect agricultural workers and non-agricultural workers within the unorganised sector. In 2005 the National Advisory Council (NAC) formerly chaired by Sonia Gandhi also submitted a draft Bill based on the recommendations of the Second National Labour Commission and the ongoing deliberations of the NCEUS. This draft Bill which was titled "The Unorganised Sector Workers Social Security Bill" was tabled in the Rajya Sabha in September 2007. This draft Bill received the assent of the President of India on 23rd December 2008 and has now become an Act. This Act titled "The Unorganised Workers Social Security Act, 2008, It has been brought into force with effect from 16. 05. 2009.

SOCIAL SECURITY FOR THE UNORGANISED WORKERS

- Unorganized workers contribute to over 60% of the national income.
- They do not have sufficient and reliable access to promotional and protective social security.
- Promotional social security implies food, housing, education and health securities.
- Preventive social security includes protection against contingencies (identified by ILO) that result in reduction or stoppage of income.

PROMOTIONAL SOCIAL SECURITY

Lack of sufficient access to promotional social security has the following implications:

- Unemployment and insecure employment
- Shifting places and occupations in search of employment
- Wages lower than those fixed by the government
- Low levels of education
- Limited access to health delivery systems
- Widespread poverty and deprivation.

These are particularly relevant in the case of poor unorganized workers.

PROTECTIVE SOCIAL SECURITY

- Multiple schemes and programmes both at the central and state levels aiming at social protection of the under-privileged.
- They have been framed at random at various points in times in response to the expedience of the day.
- They do not conform to any overall design.
- Nor do they represent a uniform policy or plan.
- The social security situation in India is characterized by the lack of consistent policy.

CONCLUSION

The initiative of social security is now left to the agencies and departments of the central government to introduce social security schemes for the welfare of the huge workforce and to reduce their vulnerability and create the beginning of a safety net which these people require in order to better cope with health risks and old age in particular. Interestingly, a health insurance scheme covering only the households below the officially determined poverty line has been enthusiastically responded to by the states for implementation in their respective regions.

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