



## ORIGINAL RESEARCH PAPER

## Management

### "A STUDY ON SOCIAL SECURITY IN TERMS OF LABOUR WELFARE"

**KEY WORDS:** Social security, Labour welfare, Gratitude.

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#### ABSTRACT

In our country social security schemes have been in reality since times immemorial and joint families Panchayats, religious and charitable institutions, giving of alms have sustained to provide support to the needy for various common risks, misfortunes, calamities etc. kautilaya's Arthashastra, manusmriti etc. bear gratitude to the fact that social structure in those days was so evolved as pay for protection to person without means and without capacity to work as simultaneously designated to provide securing to all the people.

#### I. Introduction

Social security, as at present understood, is one of the dynamic concepts of the modern age which is influencing social as well as economic policy of the government. It is the security that the state furnishes against the risks which as individual of small means cannot, today, stand up to by himself for even in private combination with his fellows. The concept of social security is fundamentally related to the high ideals of human pride and social justice. In a welfare state, inclusive social security schemes take care of person from, womb to tomb. The various articles in the directive principles of state policy as enshrined in part IV of the Indian constitution which have plethora of provisions bearing on social security directives and also promoting labor welfareism. It is one of the main pillars on which the structure of the welfare state rests.

Articles 23, 24, 32, 38, 39, 39A, 41, 42, 43, 43A, & 47 of the Indian constitution direct the state to secure a social order for the promotion of the welfare of the labor. The forty-fourth amendment act, 1978 has widened the scope of the articles, and it provides further that in particular, the state shall strive to minimize the inequalities in income and endeavor to eliminate inequalities in status, facilities and opportunities, not only amongst groups of persons residing in different parts of the country or occupied in different vocations.

#### Principles of Social security

While enacting social security legislation, certain basic principles of policy to be followed by the state which shall in particular, direct its policy towards security:

- That the citizens, men and women equally, have the right to an sufficient means of livelihood (Article 39(a))
- That the operation of financial system does not result in the concentration of wealth and the means of production to the common detriment (Article 39(c))
- That the health and strength of workers, men and women and tender age of children are not physically abused and the citizens are not forced by economic necessity to enter a vocation unsuited to their age or strength (39(e))
- That the state shall within the limits of its economic capacity and development, make efficient provisions for securing the right to work, to education and to public assistance in case of unemployment, old age sickness and disablement, and in other cases of undeserved wants (Article 41)
- That the state shall make provision for security just and humane conditions for work and maternity relief (Article 42)
- That the state shall endeavour to secure to all workers, a living wage etc (Article 43).

The measures have introduced an element of stability and protection in the midst of the stress and strains of modern life. Thus it is a major aspect of public policy today of every developed and emergent countries. The extent and coverage of its prevalence is a measure of progress

#### Scope of Social security

social security legislations can help the labours, who are covered under its various legislations by two methods, social assistance and social insurance.

#### Social assistance

It is from the assistance which is provided by the government to the poor and needy individuals, without any donation from the labour. All the benefits under this schemes are paid out of public revenue.

Social assistance schemes are adopted on societies where labours are too poor or too contribute.

#### Social Insurance (APARNARAJ, 2003)

Under this schemes, labour and employers make periodic assistance, with or without the help from the government. The funds collected through such methods are used to provide benefits to the labours on the basis of the charity record of the beneficiary, without testing his financial position. It secures labour against risks, which each one of them cannot face individually. Thus we can say that social insurance is a collective or cooperative method of protecting labour against the chief risks of life. Social insurance is an accommodating device to provide benefits as a matter of right to the insured, in case of contingencies, like sickness.

maternity, unemployment, old age and death, involving loss of either partial or total earnings, with a view to ensure a minimum standard of life. The approach of social security towards human hazards is mainly three folds viz. the reward, restoration, and prevention. Compensation means income security during spell of risks because the individual and his family should not be subjected to a double calamity, involving both loss of life or health and work. Restoration means cure for the sick invalid, reemployment, and rehabilitation; prevention goes to avoid the loss of productive capacity due to sickness, unemployment or invalidity.

#### Significance of social security

The Indian constitution lays down that the state shall within the limits of its economic capacity and development, make successful provision for security. public assistance in case of unemployment, old age, sickness, disablement, and other case of underserved want, this by itself makes the concept of social security of importance to the country.

Social security measures are also of great importance to a country. Which has embarked upon a large scale programme of rapid industrialization, in the interest of national economy as they develop employees morale by providing sense of security to them against various industrial hazards including unjustified dismissals. According to Shri V.V. Giri, social security is a wise investment which yields good dividends in the long run.

The main objective of social security is to get at least the minimum requirement of life during the period of emergency in life. It is for

such eventuality period when an employee who is dependent on his salary for his day to day life is unable to earn his salary. It is the society's ways of helping such needy employees. The main idea behind social security measures is that a citizen who has contributed or his likely to contribute to his country's welfare should be protection against hazards in life.

### Social security scheme in India

In our country social security schemes have been in existence since times immemorial and joint families, panchayats, religious and charitable institutions, giving of alms have continued to provide assistance to the needy for various common risks, misfortunes, calamities etc. Kautilya's Arthashastra, manusmriti etc. bear testimony to the fact that social structure in those days was so evolved as affording protection to persons without means and without capacity to work as simultaneously designated to provide securing to all the people. The joint family was the original cell of security and first line of defence which could cope only with limited misfortunes. In case of natural calamities i.e., flood, drought, plague etc and appeal was made to the neighbors or guilds. References to such guilds are found in Rig-Veda, Upanishads and in other ancient Indian literatures. Their main purpose was collective security of life and property and security against common risks.

But with western impact and industrial development in the country, these institutions have fallen into decay and are no longer remaining to meet the situation successfully and satisfactorily. Hence it is now regarded the duty if the state itself to provide for social security. However, it is true that then idea of social security as at present understood is not quite new to India. A few employers have for instance been giving their employees such benefit as pension provident fund and gratuity for many years and have been providing some welfare measures.

As far back, the workmen's payment act was passed in 1923, and the maternity benefits act have been in force in various states since 1947. Even the royal commission on labour(1931) did not stress for any national system if insurance as feasible in India, due to the absence of permanent labour force and migratory character of work force. Thus for a long time, the problem of social security was viewed in India merely as an academic discussion, and whatever thought was bestowed by various committees. Commissions and officials, was confined mainly to a few branches of social security from are only a recent origin with the coming of national government.

### Social security legislation

Several legislative acts provide social security to workers in India. The more important ones are as follows.

Employees provident fund and miscellaneous provisions Act 1952.  
Workmen's compensation Act 1923  
Employees state insurance Act 1948  
Maternity benefit Act 1961  
Payment of gratuity Act 1972

### Employee's provident fund and miscellaneous provisions act 1952

According to this act the employer sets up a essential causative fund for the future of the employee following his retirement, or for his dependents in the case of premature death. Monthly involvement to provident fund is at 8-10 per cent of basic salary and dearness allowance. This act is extendible to all establishment in Indian employing 20 person or more.

Under the employee's provident fund and assorted provision act, currently application to employees earning up to 5000 per month as salary and dearness allowance, the employer in most cases in required contributing a minimum of 10% of basic wages and the cost of living allowance. The employee makes an matching contribution by way deduction from pay. A small percentage of the wages or salary of the employees covered under this act is paid by the employer toward a deposit lined insurance scheme.

### Payment if gratuity act 1972

This act provides retirement benefits for employees who have worked for a minimum stipulated period with an employer (generally 5 years and more). It is measured as a reward for long faith full services. This cat applies to the whole India where over 10 employees are working for an organization. Under the payment of gratuity act terminal (retirement) benefit called a 'gratuity' is payable at the rate of 15 days wages for each completed year of services. The act applies to employees drawing up to rs3,500 per month (basic plus cost of living stipend), but in practice all employees are paid the gratuity.

The act is applicable to all employees workers as well as employed in administrative and managerial capacity. Gratuity is payable to a person on (a) resignation (b) termination of death or disablement the situation of minimum 5 years service is not applicable. The act is applicable to all employees, irrespective of the salary (earlier ceiling on salary of Rs 2,500 has been removed W.e.f. 24TH may 1994). Gratuity is payable @ 15 days wages for every year of completed service.in the last year of service, if the employee has completed service.

### Workmen's compensation act 1923

According to this act workers and /or their dependents are provided with relief in the event of accidents arising out of or in the course of employment, causing death or disability this act extends to the whole of India.

### Eligibility

To that Any workmen who is injured by accident arising and in the course of his employment contracts any disease specified their in as an occupational disease peculiar occupation.

### Benefits

Compensation is payable to dependents of workmen in case of death. In case of death, minimum compensation is 50,000 maximum compensation can be RS 2,28,540. In case of permanent total disablement, minimum reimbursement is RS60,000 in case temporary disablement 25% of monthly wages are payable on half monthly basis.

### Employees state insurance act 1948

Under the employees state insurance ct (applicable at present only to factories attached office). All employees drawing wages or salary not exceeding RS3000 per month must be insured under the schemes. The rate of donation by employee and employer are 1.5 and 4% PF employee wages, respectively

### Eligibility

Any person employed for wages(up to RS6500) in or in connection with the work of a factory of establishment end. Any person who is directly employed by the employer in a factory, or through his agent on work, which is ordinarily part of the factory or incidental to purpose of the factory benefits.

Free medical treatment is offered to covered employees at hospital and dispensaries run by the ESI corporation.

About 7/12 of the employees normal wage will be payable to him by ESI during sickness.

Death during course of employment entitles specified dependents to a regular payment.

One time payment of RS1500 to help meet funeral expenses.

### Maternity benefit act 1961

The act was passed to regulate the employment of women in certain establishment for certain period before and after childbirth and to provide for maternity benefit and certain others benefits. It extends to the whole India. An insured woman is entitled to maternity benefit in case of imprisonment, miscarriage, and sickness arising out of pregnancy, captivity, premature birth of a child or miscarriage. The benefit is payable at twice the SBR or RS20 whichever is higher for all days on which she does not work for compensation during the period.

**Conclusion**

It may be concluded that the social security is apart of labour welfare secures the workers and his family the fullest life in the complete sense of the term. Social security covers the various risks and contingencies in the life of individual in society through suitable organizations they are intimately interrelated in policy perspective, plans and ends to be achieved. Thus labour welfare without social security or vice versa are unimaginable.

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