

# Evolution & Efficacy of Social Security

The word 'Social Security' has a wide connotation and differently interpreted and applied in various spheres of governance depending upon the segment of population attempted to be covered. Within the organisational frame-work Social Security is perceived as a protection to the subscriber and /or his entire family by giving benefits packages for financial security and health care. Today many may not believe that in India, measures for protection of workers against loss of income due to old age and invalidity were initially confined to the efforts of private employers. Later, some government undertakings attempted to solve the problem by providing schemes of Provident Fund, Gratuity, and Pension on an adhoc basis. Progressively, Social Security caught the attention of Planning Commission which recognises social security as a concept as well as a system. The concept of Social Security is now generally understood as meaning protection provided by the society to its members through a service of Public measures against the economic and social distress that otherwise is caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, occupational diseases, unemployment, invalidity, old age, and death.

Constitution of India is yet to recognise Social Security as a fundamental right, and various



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State Policies and Legislative schemes are outcome of Directive Principles enshrined therein. The International Labour Organisation (ILO) concept of Social Security is based on the recognition of fundamental social rights guaranteed by law to all human beings who live from their own labour and who finds themselves unable to work temporarily or permanently for reasons beyond their control. Subsequently, the UN General Assembly, while adopting the Universal Declaration of Human Rights also recognised this rights by stating that every member of the society has a right to social security.

All this cummulatively led to legislative social transformation and progress in Social Security by way of enactment of five Acts, viz. Employees (Workmen) Compensation Act 1923, Employees State Insurance Act 1948, Employees (Provident Fund & Miscellaneous Provision) Act 1952, Maternity Benefit Act 1961,

and Payment of Gratuity Act 1972. By these legislative instruments attempts were made to meet the existing social needs and problems. But State could not anticipate the course of social progress in a dynamic society, which has rendered these progressive laws into a regressive instruments specially Provident Fund Act which has become de-facto inoperative because of ceiling of Rs.6500 p.m. wages for excluded employees which is less than the Minimum wages in majority of the States. Similarly, ESI and Gratuity at various stages and even now does not meet the expectations of its target work-force. The protective aspect of labour legislation is concerned primarily with raising the lot of the working men whereas its regulatory aspects places emphasis on the exception to the general rules of freedom of contract. Employer through its various Chambers and Association in the guise of policy advocacy have been able to neutralise the so called militancy of the trade unions, and with corresponding display of might between the two groups, the beneficiaries of Social Security Acts are getting downsized and no corresponding voluntary measures are being taken by the employers.

In this fluctuating legislative impact we must complement the Public Sector Undertakings (PSUs) wherein there has been a continuous attempts in sustaining the various aspects of Social

Security mainly guided by voluntary measures by giving it shape of mandatory mechanism through policy formulations. As of now except for gratuity payment, remaining be it may be provident fund, pension, medical assistance, or compensation, the facilities mandated in PSUs are much higher than those prescribed in the relevant Acts. Moving a step further, PSUs by enriching the various social security policies has enlarged its purpose and objective for achieving the talent retention, such as minimum 15 years service with the PSUs before superannuation for getting Pension and Post-Retirement Medical Assistance.

Legislation is an instruments to control, restrain and guide the behaviour and course of action of individuals and their groups living in a society. As such all legislation by the state is social legislation. It is rooted in the coercive power of the state. Similarly labour legislation is also a form of social legislation. Bentham, while talking of such civil legislation mentioned four specific objectives:

- To provide subsistence
- To aim at abundance
- To encourage equality, and
- To maintain security

Experience down the year's shows that the coercive pattern of State legislative institutions and its protective aspect of labour legislation have diminished and failed to achieve the desired objectives in totality. With passage of developmental stage and changing economic pattern of the society the existing legislations are becoming obsolete and/or ineffective. The Government Departments and the instrumentalities of the Government (PSUs) remains the

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only flag bearers of the progressive social security, while the private sectors contrary to their initial history of being the leader in setting up social security, now perceive it as a major hindrance in doing business, and through their forums have literally put the various consultative process of social dialogue of Government in such dilemma that we are facing a situation where EPF Act and ESIC are getting inapplicable for the new generation of working class. Thus voluntarism has become the code. International Labour Organisation (ILO) has also shifted gear in its philosophy and now focus on work and workplace issues, and related rights and standards through their programmes on "Decent Work for All" which inter-alia include 'to enhance the coverage and effectiveness of social protection' as one of its strategic objectives. Government of India and ILO launched "Decent Work Country Programme for India (2013-17)", within which the ambit of social protection catering to different segments of population is quite large, covering basic education and health, employment creation and promotion, worker's social

security, food and nutrition security, and social pensions. During the recent pasts Government major social security legislations have been in the area of Education and Food Security making them as an enforceable rights from various relevant Ministries of Food & Civil Supplies, Human Resource, Finance, and Social Justice & Empowerment etc. During the same period no major initiative has been from the Labour Ministry. Further, some initiative of the Labour Ministry has shown a remarkable shift towards the unorganized labour. Overall there has been a paradigm shift in the approach and target population in the Government policy towards larger and unorganised segments of working population. Thus Social Security Systems in India which are/was linked to wage employment, have now made an essential shift for the well-being of people and society at large.

We do not have an universal social security system. About 92 percent of 450 million workforce is in the informal sector which is largely unrecorded and the system of pay roll deduction is difficult to apply. So the Government

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focus has been on the need to create legislative and administrative framework for significant penetration of social security cover in unorganized sector. But we need a National Policy on Social Security for all sector encompassing Mandatory Schemes, Voluntary schemes and Government sponsored social assistance schemes etc. Therefore, social security within the organized sector has been drifting from statutory to voluntary mode with increasing role of trade unions and associations as a bargaining agent for the working class and employer's sense of modesty and honesty towards supporting social security schemes in a progressive manner. PSUs remains to be the model employer in its true letter and spirit

and champion in developing and sustaining various social security schemes, when the coverage and impact of relevant statutes are shrinking within its sphere of scope and applicability.

With the above all stated progressive as well as regressive phases of social security measures, now we are witnessing emergence of market driven social security phase. This is depicted by financial institutions entry in the Retiral Pension Scheme and even National Pension Scheme (having one mandatory scheme exclusive for central Government employees and another optional for all or any citizen), gratuity fund, and provident fund all getting exposed to private fund managers and mutual funds etc. But we

must be wary of the disclaimer this new phase of market driven initiative carries viz they are "subject to market risk". Thus there appears to be another so-called Public Private Partnership (PPP) model in delivery mechanism of social security. The country's experience with the PPP in various sectors has not been very satisfactory. Social Security mainly being a public policy, we must be wary about efficacy of private bodies who are solely guided by profit motive, whether it would be prudent to trust them that market risk will not bring any adverse impact to such old aged beneficiaries whose arms and limbs are no more capable of earning lest they lack even strength to raise their voice in such eventuality? ■■■