

CHAPTER - I

INSTITUTION OF SOCIAL SECURITY

It goes without saying that, in the life of man there are two stages of dependency namely childhood and old age and in the intervening years of adult life, there are likely to occur spells during which he cannot earn his living. Illness enters into everyone's experience and the apprehension of it is felt at all ages. A person who falls sick is threatened with two stages of unemployment, at first because he cannot work and later he would have lost his job. Similarly everybody is exposed to certain risks viz, unemployment, sickness, invalidity, maternity, employment injury, old-age and death of the bread-winner. For the majority of those who have nothing to live on but their earnings, any one of these contingencies resulting inevitably in loss of income is liable to plunge individuals and their families into distress and poverty.

In early days when human needs were limited and livelihood was based primarily on agriculture, institutions such as joint families, guilds, church, philanthropic and other religious bodies provided a means to mitigate the hardships erupted through these contingencies. But this voluntary charity proved to be inadequate as the risks of life have increased manifold. There has been a change in the society from the hither to agrarian society to industrial society. This is due to the fact that population migration from the villages to townships in search of new employment avenues in the industries has resulted in growth of cluster of industrial centers. Coupled with the rise in the literacy level and

scientific advancement, the impact of industrialization has been significant and has thus resulted in concentration of work force orienting to the sphere of activity such as industrial workers, construction work force etc. Despite the progress of the society with the afflux of time, the misery of the people crippled with various kinds of infirmities had been co-existent. The risks and contingencies against which the individual of small means cannot effectively provide by his own ability had to be taken care of by the Government and it had become an ardent task in the hands of administrators. This has necessiated in formulation of the *Institution of Social Security* and thus paved for enactment of various beneficial legislations so as to protect the people against the infirmities and to create equality amongst the people at large.

According to Alec. L. Parrott the word "Social" comes from Latin "Socius" meaning a companion; "Security" derives form two Latin words meaning an absence of care. By putting the words together, we get "Social Security" that freedom from economic want and anxiety that man throughout the ages has found can be obtained only through some form of mutual aid organization. In its ideal form, social security invokes the wide application of the principle of solidarity as between rich and poor, male and female, the working population and those too young or too old to work, the robust and the delicate. The word 'Social' also indicates that the element of security relates to risks which are so widespread that they affect not only a set of individuals or a particular group, but the society as a whole and the word 'Security'

means protection against defined risks as all societies seek to provide a degree of security for their members. Social Security is therefore the objective to be attained “for society as a whole by the society as a whole.

In the words of father of social security of Britain Sir William Beveridge, social security means, the security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through age, to provide against loss of support by the death of another person and to meet exceptional expenditure such as those connected with birth, death and marriage. Primarily social security means securing of income up to a minimum, but the provision of an income should be associated with treatment designed to bring the interruption of earnings to an end as soon as possible. Social security is intended to fulfill the need “to abolish want by ensuring that every citizen willing to serve according to his powers has at all times income sufficient to meet his responsibilities .¹

The need for social security arises because of several factors and some of them are “Industrialization and urbanization have resulted in the break-up of the extended family system which provided economic and social security on a family basis. Modernization has resulted in radical socio-economic changes and given rise to new conflicts and tensions consequent upon the loss of time-old family, fraternal, social and economic security. Transition from an agricultural economy to an industrial economy brought in its wake special problems relating to urban wage-earning classes who required protection in view of the decline in family and village ties. The fundamental purpose is to give

individuals and families the confidence that their level of living and quality of life will not, so far as is possible, be greatly eroded by any social or economic eventuality. This involves prevention of the occurrence of contingencies which involve loss or substantial reduction of income. In other words, it means poverty prevention or poverty alleviation.²

Social security is the security that society furnishes through appropriate organization against certain risks to which its members are exposed. Social Security measures “introduce an element of a stability and protection in the midst of the stress and strain of modern life.”³

Social security being a dynamic concept, no rigid limit can be laid down. It varies from time to time as well as country to country. The growth and development of national economy will profitably affect the social security scheme. It is considered as an indispensable concept of national programmes to strike at the root of poverty, unemployment and disease.

The aim of all social security measures is three folds: Compensation goes to the income security and is based upon the idea that during spells of risks, the individual and his family should not be subjected to a double calamity involving both destitution and loss of health, limb, life or work. Restoration implies cure of the sick and the invalid, re-employment and rehabilitation and is in some way an extension of the earlier concepts of the functions of social security. Prevention is designed to avoid the loss of productive capacity due to sickness, unemployment or invalidity and to render available the resources which

are used up by avoidable disease and thus increase the material, intellectual and more well being of the community.⁴

The growth and development of institution of social security and its practice in major countries has been articulated in Extension of Social Security (ESS). “The ideology of capitalism as it evolved in Western Europe and North America and the other on the ideology of Socialism as it was practiced in the former Soviet Union helps in understanding the domain of the term social security. The formal socialist regimes however provided both i.e. basic social security and social security to meet contingencies since they did not recognize private property nor permitted the full play of the market mechanism in economic transactions. The capitalist countries of the west increasingly transformed themselves into ‘welfare states’ which also provided both basic social security (BSS for short) and contingent social security (CSS for short) i.e. social security to meet contingencies.. It needs a mention that BSS refers to the social provision of a critical minimum to meet conditions ‘deficiency’ in such basic wants as food, health, education and housing. By contingent social security we mean socially-supported institutional arrangements to meet conditions of ‘adversity’ such as sickness, accidents and old age. If there was something common between these two competing paradigms of socialism and welfare capitalism, it was in the arena of providing a more or less wholesome social security to the citizens.

Social security as it has been understood and practiced in both developed and developing countries largely refers to what may be called collective care arrangements to meet contingencies. In fact, the very

notion of social security evolved out of humanity's quest for protection from hazards of nature's furies in the primitive communities and then from hazards of life and work in the modern societies. It should be emphasized here that the basic social security primarily takes into account the dimension of deficiency while the contingent social security takes into account the dimension of adversity.

The basic social security is directly linked to the problem of deficiency of those who are not in a position to access minimum of resources to meet their economic and social requirements for a dignified life in their society. This takes care of human deprivation and vulnerability. This is also a foundational requirement in the sense that the commonly accepted notion of social security for meeting contingencies will not make any sense in its absence. In fact, those who enjoy social security today for meeting contingencies are those who have been able to take care of their basic social security.

The notion of contingent social security refers to social arrangements to take care of adversity i.e. contingencies of a wide-ranging nature. These types of security arrangements are fairly common in most of the developing and developed countries with the state playing an active role in financing and securing such arrangements.

Basic social security and poverty

It is not difficult to recognize that the concept of basic social security is directly related to address absolute poverty as a manifestation of the problem of deficiency. The idea of basic social security goes beyond the notion of poverty reduction. It is to eliminate poverty in its multiple

manifestations by institutionalizing such social arrangements as are necessary and feasible. By addressing the problem of adversity, the notion of contingent social security goes to strengthen the objective of eliminating poverty along with vulnerability.

The restricted meaning as inadequacy of money income to meet the calorie requirement still dominates the discussion on measurement and policy formulation. From a social security point of view, a more nuanced understanding would be relevant. This is provided by and Dreze and Sen (1989). The first step in this is to understand the notion of 'entitlements'. Poverty can then be seen as a failure of entitlements, entitlements refer to the command that an individual or a family or a group can establish over goods and services. For example, entitlement to command food could be by means of ownership of land, which produces food, or by the ability to secure employment which will fetch an income to buy food or a membership in a public distribution system which entitles one to secure food at subsidized prices.

Such a notion of entitlements can be extended not only for commanding food but also other non-food but basic consumption goods and services such as clothes, shelter, health care, education, etc. Thus the focus on entitlements emphasizes the command over commodities and services.

In terms of basic social security, it should be possible to identify the core constitutive elements. Here we identify four realms of security that could constitute the basic social security. These are: Food security, Health security, Housing security and Education security.

The objective here is the creation of what may be called a 'social floor' below which it is made unacceptable to the society at large. As such an organic relationship is sought to be established between the condition of the poor in a society and the need to create a social floor through the provision of basic social security. The distinction that has been made as between basic social security and contingent social security is a useful one from the point of view of extending the coverage of social security.⁵ The issues relating to the basic social security and poverty alleviation programme are beyond the scope of the study on hand.

In the words of Lord Beveridge, social security "is an attack on five giants, viz., want, disease, ignorance, squalor and idleness." The concept of social security is essentially related to the high ideals of human dignity and social justice. In a modern welfare state comprehensive social security schemes take care of persons from "womb to tomb".

Geoffrey Crowther an English economist envisages the concept of social security as "The citizen of a democracy should be guaranteed, as of right enough food to maintain him in health. He should be assured minimum standard of shelter, clothing and fuel. He should be given full and equal opportunities of education. He should have leisure and facilities for enjoying it. He should be secured against the risk of unemployment, ill health and old-age. Above all, the presence of children should not be allowed to bring with it misery for the parents, deprivation for children and poverty for all".⁶

The International Labour Organization which was founded in 1919, as its Constitution Proclaims is “to promote social justice, without which a universal and lasting peace cannot be established”. It played a significant role in evolving universally acceptable principles and standards of social security which guided the developments in the field of social security throughout the world. This sounding Principle was reiterated by Leo Wildman, former Secretary General of International Social Security Association (ISSA) as “There can be no lasting peace without social justice and no social justice without social security”.⁷

National commission on Labour, 1931 has endorsed the I.L.O. definition of social security and observes “social security envisages that the member of community shall be protected by collective action against social risks causing undue hardship and privation to individuals whose prime resources can seldom be adequate to meet them”.⁸

Franklin D Roosevelt, former President of the United States conceived the notion of a sort of universal insurance policy to cover people from the “cradle to the grave” based on the contributory social insurance principles. The term “social security” was thus first officially used in the title of the United States Legislation, the Social Security Act of 1935, which was the first social security Act in the world.

The I.L.O. Social Security (minimum standards) Convention No 102, defines “Social Security” to mean the result achieved by a comprehensive and successful series of measures for protecting the public from the economic distress that, in the absence of such measures, would be caused by the stoppage of earning in sickness, unemployment

or old-age and after death for making available to that same public medical care as needed; and for subsidizing families bringing up young children.⁹

An I.L.O seminar held in New Delhi in September 1977 gave a more comprehensive definition of social security in the following words. Social security is the protection furnished by the society to its members through a series of public measures against the economic and social distress that are caused due to absence of earnings or substantial reduction or stoppage of earning resulting from sickness, maternity employment injury (including occupational diseases), unemployment, under-employment, invalidity, destitution, social disability old age, and further to provide health care, including prevention measures.

The I.L.O's position has been clearly articulated by the 89th Session of the International Labour Conference in 2001. The position of the I.L.O reflects a much broader constituency in that it reflects the position of 177 countries represented by their governments, employers and workers. It goes beyond the functionalist argument of social security spending contribution to growth. As such it emphasizes the link between a broad range of concerns that together constitute development interpreted in a holistic sense. It emphasizes well being of workers, their families and the entire community, social cohesion with peace and social inclusion, and alleviation of poverty. It calls for fair burden sharing aimed at human dignity, equity and social justice.

There is therefore a need to go beyond the limited nexus of social security with economic efficiency measured in terms of economic

growth. Countries that give less priority for social security expenditure might be paying a higher price in terms of problems of loss of social coherence such as crimes and violence, group conflicts, problems arising out of social exclusion and so on. Sometimes increasing inequalities go along with a lesser concern for social security issues. These are areas that need to be investigated in order to fully articulate the broader range of the nexus between social security and development.¹⁰

The right of social security is one of the significant human rights set out in the Universal Declaration of Human Rights which the General Assembly of the United Nations adopted and proclaimed on December, 10, 1948. Article 22 states “Everyone as a member of society, has the right to “social security”. Article 25 adds “Everyone has the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”.

The declaration proclaimed that everyone as a member of society, has a right to social security and is entitled to realization through national effort and international cooperation and in accordance with the organization and resources of each state, of the economic social and cultural rights indispensable for his dignity and free development of his personality.¹¹

The concept of social security according to the National Commission on labour “is based on ideals of human dignity and social justice “. The underlying “idea behind social security measures is that a citizen who has contributed or is likely to contribute to his country’s welfare should be given protection against certain hazards of life to which he is exposed

either in his working life or as a consequence of it. In other words, social security “insures a person against economic distress resulting from various contingencies and assures him a minimum level of living consistent with the nation’s capacity to pay”.¹²

Everyone has the right in all circumstances to be treated with humanity and with respect for the inherent dignity of the human person. Man has the right to bodily integrity and the means necessary for the proper development of life, particularly food, clothing, shelter, medical care, rest and finally the necessary social services. In consequence, he has the right to be looked after in the event of ill-health, disability stemming from his work; widow-hood, old age; enforced unemployment; or whenever through no fault of his own he is deprived of the means of livelihood. It recognized the inherent dignity and the equal and inalienable rights of all members of the human family as the foundation of freedom, justice and peace in the world. It was a beacon call to all the states to respect basic Human Rights. It enumerates the political, civil, economic, social and cultural rights of man.

The civil and political rights of the declaration include among others the rights to life, liberty and security of person, freedom from slavery and servitude, freedom from torture, inhuman or degrading treatment or punishment; the right to recognition as a person before the law, equal protection of the law, the right to own property, freedom of opinion and expression and the right of association and of assembly, etc. Whereas the economic, social and cultural rights include the right to social security,

work, rest and leisure, a standard of living adequate for health and well-being education, participation in the cultural life of the community.

Socio-economic rights which are equally important rights do not exist in a natural state. They have to be created. A right to work, to education and to livelihood, to equal pay, to security, to leisure and such others, are very desirable rights, but unless a state creates conditions by positive action, such rights cannot come into existence. The right to work depends upon the employment potential created, the right to health upon medical facilities given, the right to education on the education opportunities provided, the right to equal pay on the prosperity generated, right to leisure on the technology and automation accepted by industry. These can be made positive rights only if and when necessary conditions are created by the State.¹³

Constitutional provisions

It is characteristic of contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency. Accordingly, as the State is an association of citizens, which exists for the sake of their general well being, its proper function is to promote social security. While all State policy has some bearing on social security, it is convenient to regard as social security services only such schemes as they provide to the citizens with benefits designed to prevent or cure disease, to support him unable to earn and to restore him to gainful activity. But all such measures cannot be considered as affording security. For security is a state of mind as well as objective fact. To enjoy security, one must have confidence that the benefits will

be available when required, and in order to afford security the protection should be adequate in quality and quantity. ¹⁴

In modern society, being a welfare society has assumed this responsibility of providing social security against these risks by quasi social insurance and social assistance or by combination of all or any of these devices.

The guarantee of freedom in the Laissez faire State which was designed to compel the state to abstain from economic activity, was one of the different kind from that of intervention by the liberal state. The demand for safe-guarding competitive relations between individuals and for fair commercial interaction within the meaning of social intervention implies a demand for State action.

The State has been defined or described as a democratic and socialist state. A democratic state is a state that is based on the concept of equality and accountability. A socialist state is one that accepts responsibility for providing and ensuring social security to all its citizens without any discrimination.

With the concept of welfare State the state is no longer content to play the part of a passive on-looker. The old principles of freedom of contract and the doctrine of "laissez faire" have yielded place to new principles of social welfare and common good. In democratic society it is obviously one thing for the state in its relations with the individual to refrain from intervening in the process of competition and another to create opportunities of competition for the benefit of the individual. There is in fact quite a difference between the constitutional guarantee of

freedom representing a pledge by the state to abstain from action interfering with the competitive process, and the law itself clarifying competitive atmosphere of relations between the individuals.

In modern states it is of utmost importance to eradicate poverty, unemployment and disease. As a matter of fact, security of employment, security of income and security against health can only be assured through a system of social assistance schemes. In fact the crux of modern administration is the welfare of the people. ¹⁵

Again 'Social Justice' requires that each member of the community, merely by virtue of his membership, is entitled to have his essential needs of life provided by the other members as well as all advantages and opportunities, which are desirable and conducive to human well-being. This principle has two aspects. First, it requires the equalization of the human condition for the good life and equality of opportunity for work and enjoyment. Second, it needs the acceptance of the principle of non discrimination.

Social justice further operates at two different levels, i.e., 'distributive justice' and 'corrective justice'. At the level of distributive justice it engages to ensure a fair division of social benefits and burdens among the members of the community, but the corrective justice is based on the principle that there has to be equal distribution among different peoples of societies. Thus it serves to secure equilibrium among members of society. These functions and duties of the State have given rise to the concept of social justice.

The Constitution therefore, characterized the state as democratic and socialist, enshrined the fundamental rights of the people and outlined Directive Principles for governance & delineation of policies. The Directive Principles of State policy as embodied in the Constitution of India lay special stress on the goal of welfare state, by directing the state to follow certain principles, which are essential to secure a social order for the promotion of welfare of the people.

Many of the key Human Rights have been reflected by the constitution-the Preamble, fundamental rights to equality, freedom against exploitation, freedom of religion: cultural and educational rights, rights to constitutional remedies: Directive Principles of State Policy on social order, equitable distribution of wealth, free legal aid, right to work, living wage, besides many any other non-justicable rights .

The holistic approach to Human Rights in the constitutional law of India is instructive. While the political and civil rights are made fundamental and judicially enforceable, they are subject to 'reasonable restrictions' for social good. The economic and social rights are also made fundamental, though not justifiable.¹⁶

In *U.P. State Electricity Board v. Hari Shankar Jain*¹⁷ the Supreme Court has observed that mandatory of **Article 37** of the Constitution is that while the Directive Principles of State Policy shall not be enforceable by any court, the principles are 'nevertheless fundamental in the governance of the country' and 'it shall be the duty of the State to apply these principles in making laws'.

The Constitution of India has affirmed to all people of the country, inter alia, social and economic justice, but this has yet to be secured by peaceful, social and legislative steps. As has been aptly said, 'It is the function of an ideal welfare state to give to every citizen the opportunity of earning his living and freedom from fear especially of economic ruin which can involve physical and even moral ruin'.¹⁸

The 2nd National Commission on Labour while referring to the I.L.O. conventions and the articles of the constitution has observed that " We have cited all these only to remind ourselves that we have a specific constitutional mandate and international commitments in the field of social security. As long as the mandates are not altered or terminated, and the international commitments are not repudiated, they will have to be accorded the sanctity that is traditional, customary and legitimate."

Thus, while the words social security do not find explicit mention in our Constitution, the clauses that define Fundamental Rights and formulate the Directive Principles of State Policy leave no doubt about the concern and commitment of the constitution to the rights of citizens to enjoy social security. The security that is envisaged is not only against the aggression and violation of sovereignty by other countries, but also security against deprivation. The concept of social security and the commitment to social security are thus implicit in the constitution.

The right to livelihood includes the right to work, and the right to education that equips us with the skills that we need for employment as well as the ability to fulfil one's civic and social responsibilities. It is

this integral relationship between employment, education and livelihood that has generated a consideration public opinion in favour of amending the constitution to include the right to work and the right to primary education as fundamental rights. We have therefore indicated that we accept the right to work even though it is not specifically mentioned in our constitution. Our commission too accepts the need to consider social security as a fundamental human right.

Thus, we have certain commitments and conventions that we have pledged to achieve in the field of social security. The commitments include the Fundamental Rights and Directive Principles and the conventions that we have accepted as members of inter-governmental organizations. Before embarking on a detailed study of the responsibilities that have come with these provisions of the Constitution (Fundamental Rights and Directive Principles) and the conventions that our country has signed, it is appropriate and necessary to look into the specifics of the responsibilities that these provisions and covenants vest on the State and society.¹⁹

The State shall, in particular, strive to minimize the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.

That the health and strength of workers, men and women and the tender age of children are not abused and that citizens are not forced by

economic necessity, to enter into vocations unsuited to their age and strength.

That Children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and that childhood and youth are protected against exploitation and against moral and material abandonment.

Social and Economic Justice have been given a place of pride in our constitution and the directive principles of State Policy enshrined in the chapter IV of the Constitution under **Article 38** requires that a State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice social, economic and political shall inform all the institutions of national life.

Article 41. State that within the limits of economic capacity and development, state should make provisions, inter alia, for securing the right to work, to education and to public assistance in case of old-age sickness and disablement and in other cases of undeserved ones.

Article 42. The State shall make provision for securing just and humane conditions of work and for maternity relief.

Article 43. The State shall endeavor to secure by suitable legislation or economic organization or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full employment of leisure and social and cultural opportunities.

Article 47. The State shall regard raising of the level of nutrition and the standard of living of its people and the improvement of public health

as among its primary duties and, in particular, the State shall endeavor to bring about prohibition of the consumption, except for medical purposes, of intoxicating drinks and of drugs which are injurious to health. ²⁰

The Schedule VII of the Constitution includes social security in the concurrent list. The Concurrent list of the Constitution under the Entry 23 & 24 provides for extending the social security benefits as under:

Entry No: 23 Social security and insurance employment
and unemployment

Entry No: 24 Welfare of labour including conditions of work,
provident funds, employees' invalidity and
old age pension and maternity benefit. ²¹

The Fundamental Rights that our Constitution guarantees to every citizen include the right to life, and as the Supreme Court has pointed out, the right to livelihood is inherent in the right to life. The ultimate object of social security is to ensure that everyone has the means of livelihood. It follows, therefore, that the right to Social Security is also inherent in the right to life according to the Supreme Court of India; India is constitutionally a Socialist State. The principal aim of socialism is to eliminate inequality of income and status and to provide a decent standing of living to the working people.²²

In *D.S. Nakara v. Union of India* ²³ Supreme Court has held that the basic framework of the Constitution is to provide a decent standard of living to the working people and especially provides security from cradle to grave. Every State action whenever taken must be directed and be so

interpreted as to take society one step towards the goal of establishing a socialist welfare society. While examining the constitutional validity of legislative/administrative action, the touchstone of the Directive Principles of the State policy in the light of the Preamble provides yardstick to hold one way or the other.

In *Olga Tellis v. Bombay Municipal Corporation* ²⁴ Supreme Court has held that the **right to life** includes right to livelihood because no person can live without the means of living i.e. means of livelihood. If the right to livelihood is not treated as part of constitutional right to life, the easiest way of depriving a person of his right to life would be to deprive him of his means of livelihood to the point of in an industry exposed to health hazards due to indigence to bread-winning to himself and his dependents, should not be at the cost of the health and vigour of the workman. Facilities and opportunities, as enjoined in Article 38, should be provided to protect the health of the workman. Right to human dignity, development or personality, social protection are fundamental rights to the workmen. Medical facilities to protect the health of the workers are fundamental rights to workmen. It was, therefore, held that "the right to health, "medical aid and to protect the health and the vigour of a worker while in service or post retirement is a fundamental right under Article 21 read with Articles 39(e), 41, 43, 48-A of the Constitution of India and fundamental human right to make the life of workmen meaningful and purposeful with dignity of persons.

In *Consumer Education and Research Center v. Union of India* ²⁵ Supreme Court has held that the right to social justice is a fundamental

right. Right to livelihood springs from the right to life guaranteed under Article 21. The health and strength of a worker is an integral facet of right to life. Right to human dignity, development of personality, social protection, right to rest and leisure are fundamental human rights to a common man. Right to life and dignity of person and status without means are cosmetic rights. Socio-economic rights are, therefore, basic aspirations for meaningful right to life. **Right to social security and protection of the family are integral part of the right to life.** Right to social and economic justice is a fundamental right". It was further held that "right to medical care and health for protection against sick-ness are fundamental rights to the work-men". On this aspect, there was no disagreement by the majority members. It follows, therefore, that the right to social security is also inherent in the right to life according to the Supreme Court of India.

The objectives as enshrined in the Constitution are put into practice through the institution of social security. The social security and welfare benefits which can be broadly classified are placed as under:-

SOCIAL SECURITY STRATEGIES

- Social insurance
- Social assistance
- Employer's liability
- Universal schemes

Social assistance

This is a means-tested approach whereby benefits are provided to citizens in prescribed categories of need, determined by a set of

categorization criteria, subject to a means test. The periodic flat rate cash payments are designed to bring the recipient's total income up to a community accepted minimum level. The entire cost of benefit is paid from the general revenues of government. Social assistance acts as a safety net for those who fall outside the main scheme or whose insurance benefit is insufficient to meet their needs.

Main features

- 1) Social assistance, a service or scheme which provides benefits to persons of small means as of right in amounts sufficient to meet minimum standards of need and financed from taxation.
- 2) Social assistance schemes are funded from general revenues rather than from individual contributions, with statutory scales of benefit adjusted according to a person's means.
- 3) Social assistance represents the unilateral obligation of the community towards its dependent groups. It is provided by the society or the government to the poor and needy individuals.
- 4) Benefit grant is designed to bring a person's total income upto a Community- Determined maximum.
- 5) Benefits are paid as of legal right in prescribed categories of need.

Thus the overall objective of a comprehensive social assistance scheme is to alleviate poverty by redistributing income within the community- the rich pay taxes, the poor receive benefits. The essence of the social assistance approach is that the community as a whole provides financial support to any citizen in need.

Employer's liability

These constitute an employer-based approach whereby employers are required by law to provide designated benefits (usually employment injury, sickness and maternity) to their employees and their dependants. Employers may be required to be insured against their social security risks with a public or private insurance carrier. Only employers unable to establish their financial capacity to meet potential social security liabilities may be required to carry insurance.

Universal schemes

Universal programmes provide flat rate cash benefits to residents or citizens without consideration of income, employment or means. Usually financed from general revenues, they are often universal in application for persons who have been residents for a required number of years. These programmes include old-age pensions for persons over a certain age, pensions for disabled workers, widows, widower and orphans and family allowances. Most social security systems incorporating a universal pension programme also have a second-tier earnings-related programme. Some universal programmes are financed in partly by contributions from workers and employers, even though they receive substantial support from general revenues.

Social security cash benefits and social services are regarded as two sides of the same coin. Social services include health services, preventive action in health care and against accidents, rehabilitation of the injured, special facilities for the disabled, care of the aged, child welfare and care, family planning clinics, day-care services, school

social services, community centers and social services related to housing projects, old-age homes, vocational guidance, training and placement facilities.

The provision of social security in order to avoid social and economic problems is a vital aspect in the protection of the individual and his welfare. Thus, it is an undeniable fact that the social and welfare services, including preventive, remedial and developmental services, are of great significance in supplementing the social security measures in most countries, both as a desirable event and also out of necessity.

Social Insurance

Social insurance scheme provides benefits for persons of small earnings granted as of right in amounts which combine the contributory effort of the insured with subsidies from the employer and the State. This is a compulsory, contributory, employment-related approach whereby benefit eligibility is based directly or indirectly on the length of employment (or period of contribution). The periodic cash payments provided upon the occurrence of a specified social security contingency are usually related to current or past earnings or to contribution period.

Characteristics of Social Insurance.

- Participation is compulsory, with few exceptions; because of its compulsory nature, social insurance has three functions compensatory, curative and preventive.
- The financing of social insurance is by contributions which are usually made by employers and workers; sometimes the

government participates by means of a supplementary contribution of subsidy.

- Contributions are accumulated in special funds out of which benefits are paid;
- The insured person or his dependants are entitled to benefits by virtue of the contributions paid by or on behalf of the insured person;
- The insurance principle gives expression to the solidarity of workers, each contributing regularly to support colleagues and workers in times of their need and to the interests of industry in financing a scheme.²⁶

In view of the poverty of the masses, the wide prevalence of diseases and various epidemics, the high incidence of maternal and infantile mortality the low expectation of life and the misery and destitution caused by unemployment and underemployment as well as by hereditary indebtedness, the need for a comprehensive programme of social security in India is so strong that it needs little proof or evidence. There can be no doubt that a well planned programme of social security along with various other programme of nation building will lead the way to a new and better life for the masses in India. With the advent of planned economic development offering prospects of building up new economic and social order based on sound foundations of justice, liberty and security.²⁷

In India social security measures to protect the labour force against sickness, old-age, invalidity, unemployment etc: - are of recent origin.

The Employee's Compensation Act, 1923 is perhaps the first legislation which may be described as a social security measure in a broad sense. Social security received new vigor and strength in the hands of Professor B.P. Adarkar who framed a scheme to provide health insurance to workers which culminated in the enactment of the Employees State Insurance Act, 1948.²⁸

The experience gained out of the working of this Act and the persistent demand from employees in other industries led to the passing of The Employees Provident Funds and Miscellaneous provisions Act, 1952.²⁹ With the afflux of time certain other beneficial legislations such as Payment of Minimum Wages Act,1948, Inter-State Migrants Workmen Act,1979 , The Building and other Construction workers (Regulation of Employment and conditions of service) Act 1996 (Act No:27 of 1996) etc are being implemented by the organs of the Government and also cater to the requisites of labour force.