



# Social Security

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Looking beyond Employment



## *What is Social Security?*

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Social Security is both a concept as well as a system. It represents basically a system of protection of individuals who are in need of such protection by the State as an agent of the society. Such protection is relevant in contingencies such as retirement, resignation, retrenchment, death, disablement which are beyond the control of the individual members of the Society.



## Some views...

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Protection provided by the society to its members through a series 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.



## The ILO's view...

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*...the security that society furnishes... against certain risks to which its members are exposed... contingencies against which the individual of small means cannot effectively provide by his own ability or foresight ... alone or in private combination with his fellows.*



# The importance of Social Security

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- Related to high ideals of
  - *human dignity* and *social justice*
- Influence public policy in all countries
- Useful protection of labour stability
  - *Protection of labour and*
  - *Stability of labour force*
- A measure of progress made by a Country and its people



## *Why provide SS?*

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### Objectives:

- **Compensation** – *for loss of earning capacity*
  - Life, limb, health or work
- **Restoration** – *of actual earning capacity*
  - Cure, Reemployment, Rehabilitation
- **Prevention** – *of loss of earning / capacity*
  - Create systems and structures



## *A universal Fundamental Right*

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- UN General Assembly (1948) adopted the Universal Declaration of Human Rights:

*Access to Social Security*

- Right to life (Indian Constitution) has  
*Right to livelihood*  
inherent in it (Supreme Court)



## *Forms of Social Security*

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- Social Assistance
- Social Insurance
- Family Benefits
- Public Services
- Provident Funds





# *Social Assistance*

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- Historical origin (for poor and needy)
  - Ancient India – Hindu doctrines
  - 7<sup>th</sup> century – Islamic doctrines
  - 15<sup>th</sup> century – European 'poor law' doctrines
- Modern Thinking
  - Danish Programme – added self-respect
- State Financing
- Legal right of citizens / subjects



## *Social Insurance*

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- Pioneering German schemes – covered sickness, old age, invalidity
- Contributory scheme of social assistance where there is assured return and no 'means-test' to decide eligibility
- The 3 Actors participate & contribute
- Benefits accrue at different levels / rates
- Benefits not directly linked to contribution – usually benefits tilted towards poor



## *ILO conventions on Social Security*

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- 18: Workmen's Compensation  
(Occupational Diseases) 1925
- 19: Equality of Treatment  
(Accident Compensation) 1925
- 42: Workmen's Compensation  
(Occupational Diseases) Revised 1934
- 102: The Social Security  
(Minimum Standards), 1952
- 118: Equality of Treatment  
(Social Security) 1962



## *ILO conventions on Social Security*

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- 121: The Employment Injury Benefits, 1964 & 1980
- 128: Invalidity, Old Age and Survivor's Benefits, 1967
- 130: The Medical Care and Sickness Benefits, 1969
- 157: Maintenance of Social Security Rights, 1982
- 168: Employment Protection and Protection against Unemployment, 1988
- 183: Maternity protection (Revised) 2000
- 189: Job creation in Small and Medium Enterprises, 1998



# *Social Security Laws in India*

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- **Workmen's Compensation Act, 1923**
  - State administered
- **Employees' State Insurance Act, 1948**
  - Center (Cash) and State (Healthcare) jointly administer
- **Employees' Provident Fund & Miscellaneous Provisions Act, 1952**
  - Center administers through CPF Organization
- **Maternity Benefit Act, 1961**
  - Center for Mines & Circus, State for Factories, others
- **Payment of Gratuity Act, 1972**
  - State as per exclusive territorial jurisdiction, Center for rest



# The Workman's Compensation Act

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- *For whom?*

- If engaged in Factory, Mines, Railways etc as per 2<sup>nd</sup> Schedule of Act
- Injury at work but not covered by ESI Act

- *What benefit?*

- Financial Compensation for Death, Disablement or Disease



# Employees' State Insurance Act

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- *For whom?*

- Engaged in Factories, establishments notified by Government
- Earning below Rs.6500/ per month

- *What benefit?*

- Cover sickness, maternity, disability, dependants, death
- Financial
- Medical care



# EPF Act

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- *For whom?*

- Engaged in Factories, establishments employing 20+ notified by Government
- Earning below Rs.5000/ per month

- *What benefit?*

- Provident Fund – refundable in lump sum, loans & permanent withdrawals
- Pension





# Maternity Benefit Act

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- *For whom?*

- Engaged in Factories, Mines, Plantations, establishments notified by Government
- Not covered under ESI Act

- *What benefit?*

- Payment for 12 weeks absence without normal leave
- Calculated on average daily wages (min-10)



# Payment of Gratuity Act

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- *For whom?*

- Engaged in Factories, Mines, Plantations, Railways, Shops and establishments notified by Government
- In service for 5 successive years

- *What benefit?*

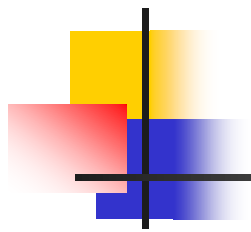
- 15 days wages for each year of service
- Maximum limit Rs 3,50,000/
- 7 days wages per season for seasonal occupation



## *Social Security and EMR*

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- Social Security as a State function?
- Social Security as Employer's function?
- Social Security as Employee's Right?
- Social Security as an issue for collective representation and bargaining?
- A potent cause for employee commitment or disaffection towards Work?



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THANK YOU