# Evolution of Social Security Schemes in India

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## ABSTRACT

*Social Security means any kind of collective measures or activities designed to ensure that the members of society meet their basic needs. Further, they are protected eventually to enable them to maintain a standard of living consistent with social norms. The concept of social security has evolved, moving away from traditional security measures and drifting towards more sophisticated ones. The goal of social security is to safeguard community members from the social risks that would cause undue suffering and misery to those whose private resources would rarely be sufficient to meet their needs. As a welfare state, India has taken on the responsibility of providing numerous Social Security and Social Assistance services to its residents. The Directive Principles of State Policy, as enshrined in the Indian Constitution, provide the foundation for India's social security legislation.*

**KEYWORDS**: Social Security, Welfare State, Policy Making, Government, Income, Social Insurance, Social Aids, Assistance.

## INTRODUCTION

Man has never been completely free of insecurity since the dawn of human evolution. He had to protect himself from pangs of nature to ensure his physical survival. Apart from the physical perils posed by wild creatures, he also battled the elemental forces of floods, starvation, and drought, as well as fires and terrible diseases. The earliest effort by man to overcome insecurity was probably the lifting of a wooden stick or a stone in defence against the aggressive postures of a carnivorous beast and other wild animals (Veer, 1986).

The term 'Social Security was first coined by German Chancellor Bismarck during the 1880s in Germany. However, it was only in I935 that it was formally acknowledged and authoritatively utilised in the United States of America (Social Security Act, 1935). Meanwhile, the occurrence of increasing social issues and discomforts leads to societal imbalance. Issues such as mounting unemployment, lack of social security in old age, absence of medical assistance, death of a breadwinner, and motherhood are all events that jeopardise the working man's ability to sustain himself and his dependents in good health

and decency. Globalization and privatisation have pushed concern for human wellbeing and the role of the state in fostering welfare to the background.

Social Security means any kind of collective measures or activities designed to ensure that the members of society meet their basic needs. Further, they are protected eventually to enable them to maintain a standard of living consistent with social norms. The concept of social security has evolved, moving away from traditional security measures and drifting towards more sophisticated ones. The goal of social security is to safeguard community members from the social risks that would cause undue suffering and misery to those whose private resources would rarely be sufficient to meet their needs. It protects a person from specific risks by enlisting the help of an appropriate organisation **(National Commission on Labour Report, 1969).** As a result, the presence of social security is a breath of fresh air in a stuffy environment. From womb to tomb, an individual must contend with economic calamities such as employment uncertainty, disability, or loss of the breadwinner. Idleness, poverty, misery, and mental distress will result if social security is not provided, which will be bad for society. However, the existence of social security assumes responsibility for providing each individual with a reasonable opportunity to earn a living and support himself. If there is no social security legislation in India, workers will fall victim to poverty, resulting in a lower level of living. In the absence of any defence for a person, a family, a community, or a nation, there will almost surely be a disaster in man's desire to be free of the fear of hunger and secure against economic fear.

## ORIGIN AND DEVELOPMENT OF SOCIAL SECURITY PERSPECTIVE

Social security is a type of assistance that is supplied by various bodies at various periods. There was no such thing as social security in the pre-social and pre-political age. As the term suggests, social security arose with the beginning of society. Originally, it was a family that provided social security to its members. Following that, society assumed responsibility for providing social security, and with the birth of the welfare state, it is now the state that provides social security through legislation.

The idea of social security has developed over some undefined time frame. In the crude social orders, it was humanity's battle against weakness to shield itself from the caprices of nature or find the fundamental necessities of day-to-day life. As mentioned earlier, in the ancient ages the Joint family system dealt with social security needs. With rapid industrialization, there was a separation of family setup destructing the customary system and urging the need for social security. In this way, the idea of social security continued

developing and enlarging as there is no commonly accepted definition of the term (Planning Commission, 2007).

The expression "Social Security was firstly authoritatively utilized in the title of the Social Security Act of 1935 of the United States of America programmes to meet the danger of old age, death, disability and unemployment.

Social security existed from time immemorial designed to have its social system in the form of joint family setup, craft guilds, philanthropy etc. While due to Industrialization, Urbanization and Privatization this lost its significance (Doshi, A. 1966).

The concept of social security has evolved. In primitive societies, it was mankind's struggle against insecurity to protect himself from the vagaries of nature or find the necessities of day-to-day life. Later community living came into existence which brought the family to provide adequate social measures for the needy. With the rapid industrialisation, there was a break up of family setup destructing the traditional system resulting in a need for institutionalised and state-cum society regulated social security arrangement. Therefore, the concept of social security kept evolving and widening as there is no commonly accepted definition of the term **(Govt. of. India, 2012).** All the industrialized countries of the world have developed measures to promote the economic security and welfare of individuals and their families. These measures have come to be called social security. Social security is a dynamic idea and an essential component of a national strategy to combat poverty, unemployment, and sickness**.** People who are unable to work due to old age, sickness and those who are unable to earn a living may be covered by social security. To comprehend the essence and notion of social security, it is necessary to examine its numerous definitions. Different experts and agencies have defined social security in various ways; International Labour Organisation (ILO) has defined it as an important instrument for social transformation and progress **(I.L.O, 2011).** According to Friedlander, Social security is the protection that society provides against a specific risk to which its members are exposed through adequate organisation. The risks are essentially contingencies that a person of modest means cannot successfully mitigate by his or her ability or foresight, or even in private collaboration with his or her peers **(Friedlander, 1963).** Social security according to Friedlander is a series of government-run programmes such as old age, unemployment, health, disability, and survivors' insurance funded by mandatory payments from particular employers and employee groups. The theory or practice of providing economic security and

social welfare to the individual through government programs financed with public tax funds. According to V.V. Giri:

> "Social security, as currently understood, is one of the dynamic concepts of the modern age which is influencing social as well as economic policy. It is the security that the state furnishes against the risks which an individual of small means cannot, today, stand up to by himself or even in private combination with his fellow countrymen" (Giri, 1972).

Social security is divided into three categories: first Social Insurance, Second Public/Social Aid, and third Public or social services. In the case of social insurance, prospective beneficiaries are expected to pay a contribution, which may be little in comparison to the benefits they get in the event of a contingency. These advantages are well-defined that they may be able to meet the needs of an average person. However, in some circumstances, a special exemption from the duty to pay contributions may be granted. People may receive public and social assistance in cash or in-kind to help them fulfil their immediate needs and maintain a decent standard of living. The distinction between public and social aid is that public assistance is provided through the state exchequer after analysing the actual need and verifying those prospective beneficiaries meet certain mandated eligibility standards, such as family responsibility and morality adherence.

Even though the German government founded a wide system of social insurance, the word "social security" was first recognized and used in the United States of America in 1935. The ILO's impact also provided the groundwork for social security measures for employees, as well as ideals for ensuring global peace based on social justice. To promote the common good, the Philadelphia Declaration stated in particular that labour is not a commodity and that poverty anywhere is a threat to prosperity everywhere (Philadelphia Declaration, 1944).

## WHAT DOES SOCIAL SECURITY CONSTITUTE?

The purpose of social security measures is to reassure individuals and families that their standard of living is not compromised by encountering such socio-economic contingencies in their lives. The outline of social security varied from country to country (Goswami, 2011). This is understandable to some extent given the different social and economic developments of societies in different parts of the world. However, the need for economic protection is universal and therefore social security measures have three main characteristics, which vary

from country to country and from time to time depending on the needs of the country's population and resources.

## SOCIAL ASSISTANCE

Social Assistance systems benefit people in need (Pieters, 2006). Social Assistance is a state-organized measure that provides members of society with money and medical assistance that cannot be obtained from their resources. The ILO defines social assistance as a system that provides low-income people with benefits that are legally provided and tax-covered in sufficient amounts to meet their minimum needs.

A feature of this measure is that it is fully funded by general government revenues and services are provided free of charge. However, the beneficiary must meet the means test, that is, certain prerequisites. The first risk covered was old age, but non-contributory benefits were gradually introduced to people with disabilities, surviving dependents and the unemployed. Today's social assistance programs include programs such as unemployment allowances, old-age allowances, and welfare allowances (Gupta, 2007).

Social Insurance was first introduced in Germany by Bismarck and has since spread around the world (Subrahmanya, 2008). Social Insurance has planned insurance that aims to protect the wages of workers who do not have sufficient resources to support themselves and their families in the event of loss of income due to unforeseen circumstances in their working life. Sir William Beveridge defined social Insurance as "an insurance plan that provides the benefits of living wages in return for donations, not a test of the rights and means by which individuals are free to build" (Barua, 1995).

## SOCIAL SECURITY AND INTERNATIONAL CONVENTIONS

The International Labour Organization (ILO) is to be commended for the widespread advancement of social security systems across the world. The primary goal of this organisation is to promote social justice and to provide better living and working surroundings for labourers around the world. Its constitution mandates to protect workers from sickness, disease, and injury arising from and in the course of their employment, as well as to protect young people and facilities for their old age (Income Security Recommendation, 1944).

The ILO's Declaration of Philadelphia (1944) and Income Security Recommendation (1944) defined social security as a basic human right. The Universal Declaration of Human Rights,

adopted in 1948, and the International Covenant on Economic, Social, and Cultural Rights (ICESCR), adopted in 1966, both upheld this right.

Moreover, the Resolution and Conclusions on Social Security were endorsed by the International Labour Conference held in 2001 (I.L.O, 2001). The ILO's definition of social security is founded on the acknowledgement of a fundamental social right provided by law to all human beings who survive off their labour and are unable to work for circumstances beyond their control. At the international level, the preamble of the ILO's Constitution mentioned the need for and protection of workers against sickness, disease, and injury arising from their employment, as well as pensions for old age and protection of the interests of workers employed in countries other than their own.

**Social Security in India**

The development of social security is closely linked to economic and social changes. History is not only for those who are interested in the past but also for understanding the present. Therefore, attempts have been made to trace the origin and development of India's social security system to identify delays in the social security system. The social security system has always existed in India. The financial security of the poor was initially ensured primarily by individual efforts. To do justice in the face of contingencies, organized methods have been gradually developed to address the problem of anxiety. In the early days when human needs were limited and livelihoods were primarily based on agriculture, ordinary families, craft guilds, churches, philanthropic groups and other religious groups provided these guarantees (Srivastava, 1985). To assess the growth and development of social security at various stages, it was conveniently divided into the following stages: Pre-independence Period and Post-Independence Period

**Pre-Independence Period**

The concept of social security can be found in the writings of ancient Indian intellectuals such as Kautilya, Sukracharya, and others. The concern for security in ancient society included all of society's weaker members, such as women, the poor, and the dispersed classes. The concept of social security was not destroyed throughout the mediaeval period, although it was severely circumscribed by religion. Spiritual leaders, musicians, artists, and political figures all received some form of social security and help from the Mughals. During the industrial revolution, the state assumed responsibility for social security. On the one hand, the state assumed responsibility for providing some form of protection to organised

workers, but the unorganised sector, including farmers, local vendors, agricultural labour, and construction workers, was left vulnerable.

Following the arrival of the British, the Indian industry suffered a significant collapse, as local production was not promoted. The first cotton textile plant was established in Bombay in 1854 (Sinha, 1971). Seasonal businesses such as cotton ginning, cotton and jute pressing, and rice milling have sprung up alongside large-scale cotton and jute textile enterprises (Sharma, 1971).

The labour rights were not fully protected until India attained independence from British rule, and several important labour laws governing various aspects of work were enacted in quick succession in the pre-independence period. The twentieth century is known as the century of reforms, and many changes occurred on a global scale during this time. The United Nations was established, International Labour Organization was being organized, and under influence of many socio-economic movements, the Indian constituent assembly incorporated many welfare measures into the constitution of India itself. . Following independence, the state was concerned about both the organised and unorganised sectors, as well as other aspects of society. While the state's approach to providing social security to society had changed, the Unorganized Workers Social Security Act, which was enacted in 2008, took a little longer than expected. The Indian government took a keen interest in providing workers with social security and enacted several laws.

**Conclusion: -** social security is a component of society that enables its members to enjoy a fulfilling social life. Social security aids and protects individuals from society's living situations. Many people in human society are trapped in an unfavourable situation due to a lack of physical or mental aptitude or because of the social structure. Social security aids those who are socially disadvantaged in coping with their circumstances and living a dignified life. As a welfare state, India has taken on the responsibility of providing numerous Social Security and Social Assistance services to its residents. The Directive Principles of State Policy, as enshrined in the Indian Constitution, provide the foundation for India's social security legislation.

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