

**SOS POLITICAL SCIENCE AND PUBLIC
ADMINISTRATION**
MBA HRD – 204

SUBJECT NAME: INDUSTRIAL WELFARE

UNIT -II

**TOPIC- INTERPRETATION OF SOCIAL
SECURITY IN INDIA**

DEVELOPMENT OF SOCIAL SECURITY DURING FIVE YEAR PLANS

The labour policy set out in the five year plans since independence was based on the belief that the basic needs of workers for food, clothing must be satisfied. Hence, India began the process of planned economic development in the start of First Five Year Plan in April 1951.

Since the Constitution has made a special mention of the duties that the state owes to labour, to their economic upliftment and social regeneration planning was introduced to provide certain directions aimed at physical, social and moral improvements of labour that has directly bearing on social security legislations and hence, the Directive Principles of State Policy is described as social security charter.

First Five Year Plan (1951-1956)

The first five year plan has two main objectives namely a better standard of life for the people and social justice. The objectives of the plan reflect the idealism of the community and are derived from Directive Principles of State Policy embodied in the Constitution.

This plan has emphasised that adequate provisions have to be made for the basic needs of the workers in respect of food, clothing and shelter so as to enable them to remain in a state of health and efficiency. Besides this, it is also further emphasised that workers should have their due share in social and economic progress in the shape of improved health services, wider provision of social security, better educational opportunities and increased recreational and cultural facilities.

The plan also stressed that the conditions of work should be such as to safeguard the workers health and protect them against occupational hazards. Further, it was observed that the workplace has to provide reasonable amenities for his essential needs and the worker should be assured of a reasonable measure of security against the various natural and other risks to which he is exposed.

First Five Year Plan (1951-1956)

With regard to economic inequalities between rich and poor, the plan observed that at present there are large inequalities between the rich and poor, between the urban and rural areas. This inequality is both unjust and uneconomic. Further, it stated that our country can survive only if there is a more equitable distribution of wealth. The plan also suggested the ways for bringing out equality by way of taking away excessive wealth through fiscal and legislative measures. It also suggested other method that is to raise the standard of life of the common man through improvement in the economic and social status of the more vulnerable classes and through increase in the wealth and productive capacity of the community as a whole. Protection of tenants, labour welfare, amelioration of the backward classes and the substitution of usury by organised credit are steps to this end. The plan has emphasised on agricultural development towards rectifying prevailing inequalities. Further, the plan also suggested to consider matters such as prevailing situation of Indian economy which is not fully integrated. Secondly, essential facts and data relating to important aspects of our economy are lacking. It focussed its attention that the federal structure of the Constitution in which the states are largely autonomous should involve a great deal of mutual consultation and also special attention to the problem of effective coordination of policy and programmes.

Second Five Year Plan (1956 - 1961)

The Second Five Year Plan has explained the significance of the socialistic pattern of society as India adopted socialistic pattern of society as an objective of state policy.

Considering the significance of socialistic pattern of society, the second five year plan stated that the basic criterion for determining the lines of advance must not be private profit but social gain, and that the pattern of development and the structure of socioeconomic relations should be so planned that the result not only in appreciable increases in national income and employment, but also in greater equality in income and wealth. The plan also observed that the major decisions regarding production, distribution, consumption and investment and in fair all significant socio-economic relationships must be made by agencies informed by social purpose. The plan marked that the benefits of economic development must accrue more and more to the relatively less privilege classes of society and there should be a progressive reduction of the concentration of incomes, wealth and economic power.

The plan also stated that the problem is to create milieu in which the small man who has so far had little opportunity of pursuing of participating in the immense possibilities of growth through organised effort is enable to put in his best in the interest of the higher standard of life for himself and increased prosperity for the country.

Third Five Year Plan (1961-1966)

The Third Five Year Plan gave importance to social assistance programmes.⁸³ The plan stated as follows:

“It would be desirable to make a modest beginning in respect of three groups of persons, the physically handicapped, old persons unable to work and women and children, where they are altogether lacking in the means of livelihood unsupport. Assistance for them will have to come from voluntary and charitable organisations, municipal bodies, panchayat samitis and panchayats and voluntary organisations. With a view to enabling these organisations to develop their activities with the help of local communities and giving them a little support, it might be useful to constitute a small relief and assistance fund”.

For creation of welfare funds the third five year plan suggested that special welfare funds have been constituted for financing welfare measures for workers in the coal and mica mining industries. They are meeting very real needs and hence similar funds are proposed to be created for workers in the manganese and iron ore mines.

Fourth Five Year Plan (1969-1974)

The plan provided for the expansion of employees state insurance activities to provide hospitalisation to families of all insured workers to cover shops and commercial establishments in selected centres and also to non power factories employee ten or more persons.

The plan gave importance to social assistance programmes and also observed that the programmes for welfare centres, holiday homes and recreational centres have been included in state plans. The plan also stressed for strengthening labour administration for better enforcement of labour laws.

Fifth Five Year Plan (1974-1979)

The Fifth Five Year Plan identified that stray progress is being achieved in social security measures.

It emphasised the suggestion of the Committee on Perspective Planning appointed by the Employees' State Insurance Corporation that the Employees State Insurance Scheme should carry out a five year phased programme of extension of additional categories of establishments, including smaller factories, shops and commercial establishments, mines and establishments. The plan further stated that the scope for integrating certain important social security measures should be studied.

Sixth Five Year Plan (1980-1985)

The Sixth Five Year Plan observed the progress made in social security scheme in India. It recommended that the Provident Fund Scheme should be gradually extended to smaller establishments and to rural areas. The plan also emphasized that effort should be made to remove the difficulties of limitation of financial and physical resources of the state government and to extend the coverage to new areas.

The planners also suggested that as welfare and social security service overlap in areas of medical care and income security during sickness and disability, it will be conducive to efficiency and economy if services in such common areas can be integrated.

The thrust of the programmes in the sixth plan was in extending measures contemplated in the coverage of Employees State Insurance Scheme and Employees Provident and Family Pension Scheme. The plan also recommended that special programmes need to be undertaken by the State Governments for the benefit of agricultural labour, artisans, hand loom weavers, fisher man, leather workers and of the unorganised workers in the rural and urban areas.

Seventh Five Year Plan (1985-1990)

The highlight of this plan is regarding the labour policy for unorganised labour. The plan observed that labour policy should necessarily have provisions for the welfare and working and living conditions of unorganised labour not only in rural sector, but also in the urban areas.

It examined that although a great majority of unorganised labour is found in the rural areas, an increasing number of workers are shifting in the metropolitan cities and small and medium towns in search of better employment opportunities. It further examined that in the unorganised urban sector, incomes are not protected, legal regulations of employment and wages are almost nonexistent and it is extremely difficult to enforce the rules where they exist.

The plan also pointed out that a number of schemes are already being implemented to improve the living and working conditions of rural workers in the country, but it is a challenging task to provide programmes for employment creation and income generation to the rural unorganised labour. This plan also paid a special attention to the bonded labour and child labour for their eradication.

Eighth Five Year Plan (1992-1997)

This plan has observed that adequate levels of earnings and safe and humane conditions of work and access to some minimum social security benefits are the major quantitative dimensions of employment which enhanced quality of life of workers and their productivity. The plan has marked that there is an inadequate coverage and implementation of Minimum Wages Act. The plan further stated that a National Child Labour Programme has been taken up to make effective intervention to prevent exploitation of child labour in the unorganised sector. The plan also suggested that suitable organisational arrangements would need to be developed to provide a minimum measure of social security for unorganised workers.

It also suggested that rural workers educational programmes should be organised for agricultural workers, forest labour and rural artisans to solve their problems by making aware of industrial health, safety and environment as well as to develop leadership among workers.

Nineth Five Year Plan (1997-2002)

The planning process attempts to create conditions for improvement in labour productivity and for provision of social security to supplement the operations of the labour market. The plan has pointed out that the situation of surplus labour, coupled with the employment of most of the workers in the unorganised segments of the economy has given rise to unhealthy social practices like bonded labour, child labour and adverse working conditions faced by the migrant labour. The strategy during the plan was that the resources have been directed to the plan programmes towards skill formation and development, exchange of information on job opportunities, monitoring of working conditions, creation of industrial harmony through a infrastructure for healthy industrial relations and insurance against disease and unemployment for the workers and their families.

The approach of the plan was to provide social security to the population where high instance of poverty is prevalent. The plan identified that a large number of unorganised labour do not get acceptable minimum level of living and focussed its attempt in providing social security for a targeted group through a special employment generation programme on the one hand and the provision of free or heavily subsidised basic needs like health, nutrition, housing and the education on the other.

Tenth Five Year Plan (2002-2007)

The plan observed that the productivity of labour is an essential condition for the prosperity of enterprises and the well being of the workers and their families. It stated that while the production facilities at work place and the remuneration are important, attitudes towards work, and their value placed by the society on dignity of labour are equally important in influencing the productive of labour.

The plan also marked that the situation where the supply of labour exceeds demand by a huge margin can lead to highly exploitative forms of work and therefore an effective implementation of the existing regulations relating to prohibition of bonded labour and child labour and monitoring the conditions of migrant workers is required.

The main objective of Tenth plan would be to increase the coverage of the labour market institutions and also to provide provision of gainful employment to the entire labour force. It is observed by the planners that the growth of population in the working age group is at a substantially higher pace than that of the average population. Agriculture used to provide employment to a major part of the work force. It was also pointed out that the number of workers deployed in agriculture cropping activities has not increased and it has even declined in certain parts of the country.

Eleventh Five Year Plan (2007-2012)

The plan pointed out that the unorganised section of agricultural sector consisting of crop cultivation and other agricultural activities such as forestry, livestock, and fishing, not protected under the Plantations Workers Act, has neither formal system of social security nor regulation of conditions of work. The plan also stated that the Government has taken note of the concerns expressed by the National Commission for Enterprises in Unorganised Sector in examining the desirability of enacting laws regulating the minimum conditions of work of agricultural wage workers and provide a measure of social security to agricultural wage workers and marginal and small farmers in the unorganised sector as well as informal/unorganised workers in the organised sector consisting of wage workers, independent self-employed, and workers who are selfemployed at home, whose minimum conditions of work are not regulated by any other legislation.

Regarding workers without institutionalised social security cover, the plan stated that the beedi workers, brick-kiln workers, handicraft artisans, handloom weavers, leather and tannery workers are covered under social insurance schemes available to the unorganised sector which is operated through Life Insurance Corporation such as social security group insurance scheme.

Twelfth Five Year Plan (2012-2017)

The plan focused its attention towards the women in the unorganised sector and stated as follows: “Women in the unorganised sector require social security addressing issues of leave, wages, work conditions, pension, housing, child care, health benefits, maternity benefits, safety and occupational health, and a complaints committee for sexual harassment. This can only be ensured in extending labour protection to these sectors in a manner that pays special attention to the needs of women workers”. With regard to home based workers, the plan stated that the promotion of enterprises of home based workers, self employed workers and small producers is an essential component of twelfth plan and is of particular relevance for women. The Twelfth Plan strategy would be to identify such workers and support their enterprises through setting up of common facility centres to ensure all important services including technology and skill training, entrepreneurship training, market information access to institutionalised credit, power and other infrastructure and related facilities are readily provided.

The plan also pointed out that one of the major impediments affecting women's participation in the workforce, is due to lack of skills. The Twelfth Plan envisages a major scaling up of skill development which must be accompanied by special efforts to promote skill development of women from traditional skills to emerging skills, that help women break the gender.

Twelfth Five Year Plan (2012-2017) Remaining 1

Accordingly, the following legislative measures have been adopted by the Government of India by way of social security schemes for industrial workers:

- Employees' Compensation Act, 1923;
- Employees' State Insurance Act, 1948;
- Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- Maternity Benefit Act, 1961;
- Payment of Gratuity Act, 1972.

Recently, the Unorganised Workers' Social Security Act was passed in 2008.

Twelfth Five Year Plan (2012-2017) Remaining 1

Apart from these legislations there are legislations to regulate the conditions of work. Which are as follows:

- Payment of Wages Act, 1936;
- Factories Act, 1948;
- Minimum Wages Act, 1948;
- Plantation Labour Act, 1951;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Bonded Labour (Abolition) Act, 1976;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Beedi and Cigar (Conditions of Employment) Act, 1996.

Twelfth Five Year Plan (2012-2017) Remaining 2

From the above observation it is concluded that there is considerable development in the social security measures during the post independence period.

Even from the perusal of five year plans, it is inferred that the state has moved to translate the objectives stated in Directive Principles of State Policy in to statutes which are to safeguard the interests of workers against sickness, accident, disease, old age and unemployment. Particularly the programmes of sixth plan was on the effective implementation of different legislative enactments regarding labour and special programmes for agricultural labourers, artisans, hand loom weavers, leather workers etc., and its special attention towards the problems of bonded labour, child labour, women labour, contract labour, construction labour and inter-state migrant labour. The eight five year plan also pointed out that the enforcement of labour laws especially laws relating to the unorganised labour should be effective.