

**SOS POLITICAL SCIENCE AND PUBLIC**  
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**SUBJECT NAME: INDUSTRIAL**  
**WELFARE**

**UNIT –II**

**TOPIC- GROWTH OF SOCIAL SECURITY**

# **CONCEPT OF SOCIAL SECURITY**

All the industrial countries of the world have developed measures to promote the economic security and welfare of individual and his family. These measures have come to be called as social security.<sup>2</sup> Social security is dynamic concept and an indispensable chapter of a national programme to strike at the root of poverty, unemployment and diseases.

Social security may provide for the welfare of persons who become incapable of working by reason of old age, sickness and invalidity and or unable to earn anything for their livelihood. <sup>3</sup> It is necessary to analyze various definition of social security in order to appreciate the nature and concept of social security.

## **Definitions by ILO**

A systematic attempt was made by ILO in defining social security. ILO defines social security as follows: “The security that society furnishes, through appropriate organisation, against certain risks, to which its members are exposed. These risks are essentially contingencies against which the individuals of small means cannot effectively provide by his, own ability or foresight alone or even in private combination with fellows”.<sup>7</sup> These risks are being sickness, maternity, invalidity, old age and death. It is the characteristics of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency.

## **Definition by Fried Lander**

Fried Lander defines social security as “a programme of protection provided by the society against these contingencies of modern life- sickness, unemployment, old age, dependency, industrial accidents and invalidism against which the individual cannot be expected to protect himself and his family by his own ability or foresight.<sup>11</sup> According to him the concept of social security is used to describe as a programme of protection to assure the justified share to the working class by covering certain risks to which a person is exposed in which these risks are such that an individual with meagre earnings cannot afford.

## **Definition by National Commission on Labour**

“Social security envisages that the members of the community shall be protected by collective action against social risks causing undue hardship and privation to individuals whose primary resources can seldom be adequate to meet them. The concept of social security 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 or as consequence of it”

## **Definition by Giri (V.V.)**

V.V. Giri defines Social security as “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 on private combination with his fellow countrymen.

## **AIM OF SOCIAL SECURITY**

Social security represents society's current answer to the problem of economic insecurity. Social security measures have a twofold significance for every developing country. They constitute an important step towards the goal of a welfare state, by improving living and working conditions and affording the people protection against the uncertainties of the future. These measures are also important for every industrialisation plan, for, not only do they enable workers to become more efficient, but they also reduce wastage arising from industrial disputes causing work stoppages. Hence, the aim of all social security measures is three fold in nature which are as follows:

1. **Compensation** It aims to substitute income when there is interruption of earnings due to unemployment, sickness, permanent disability, old age etc.
2. **Restoration** It is designed to provide certain services like medical care to the sick and invalid and rehabilitations in cases of need.
3. **Prevention** Social security measures not only provide reliefs when occasions require expenditure that strains family budget, but also prevents the risks from arising in the first place itself.

## **SOCIAL SECURITY AND HUMAN RIGHTS**

The International Labour Conference emphasised that social security is the basic human right and the fundamental means for creating social position, thereby helping to ensure social peace and social inclusion. It is an indispensable part of government social policy and an important tool to prevent and alleviate poverty.<sup>25</sup> Hence the concept of social security as a human right originated with the Universal Declaration of Human Rights.<sup>26</sup> The need for social security as human right has been enumerated as follows: “Everyone, as a member of society, has the right to social security and is entitled to realisation, through national efforts and international cooperation and in accordance with the organisation and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”.

# **CONSTITUTIONAL STATUS OF SOCIAL SECURITY IN INDIA**

The constitution of India guarantees fundamental rights to every citizen including the right to life and as the Supreme Court has pointed out that the right to livelihood is inherent in the right to life.<sup>29</sup> The ultimate aim of social security is to ensure that everyone has the means of livelihood and hence the right to social security and protection of the family are integral part of right to life.<sup>30</sup> Further, the Supreme Court has also held that security against sickness and disablement<sup>31</sup> and also right to family pension held to be forming part of right to life under Article 21.

The Directive Principles of State policy set standard of achievement of socialistic pattern of society as it embraces principles and policies pertaining to social security measures which are to be followed by the state in future.

## **ORIGIN AND DEVELOPMENT OF SOCIAL SECURITY**

Historical Scanning of Social Security System would reveal that recognition of labour was not a subject of social justice during pre-industrial society as slaves, serfs etc. Where the system prevailed reflecting their state of deprivation with no legal rights. Later the advent of industrial revolution in the world gave rise to invention of many numbers of machines and chemical discoveries in the 18th Century.

Man kind's experience of various evolutionary changes from primitive times to the present day, have been extensive and varied.

### **From Nomadic Period to the Modern Factory System**

Initially, man passed through “the hunting and fishing stage”. Wild animals, birds and fruits fulfilled his hunger, his thirst was quenched by the waters of springs and rivers, caves gave him shelter and the barks of trees were used as clothing. Thus, his basic needs food, shelter and clothing were adequately met by nature. Due to the absence of any economic, political and social systems, labour problems did not exist.

## **Pastoral Stage**

This stage was marked by a certain amount of economic activity. The nomadic and migratory nature of man persisted, and together with his goats and cattle, he move on to fresh pastures and meadows. Some conflicts would sometimes take place among herdowners, for private property ownership was not known.

## **Agricultural Stage**

This stage paved the way for recognition of individual property rights as they started to have fixed abodes for cultivation. This period saw the growth of villages, towns as well as cities. There was a small artisan class who were self employed and also the landed proprietors or zamindars as well slaves. Even after, feudal system arose where serfs served under the barons who, in return, gave them and their families' protection, food and shelter. This type of division was later responsible for the emergence of the class struggle.

## **Handicrafts Stage**

This stage has marked the beginning of the labour problems in the world. As the artisans were not able to sell their finished products in their own villages, they started depending upon traders or merchants who found a market for their products. They gave them loans to those artisans and developed themselves to the class of entrepreneurs. As a result the system of exchanges and commodities developed into commercial centres. They used improved navigational aids and land communication system to develop their trade and became even more important than feudal Lords. Craft guilds ensured the quality and quantity of manufactured goods by a strict control over artisans. They also marketed the goods. Hence, in this period wealth accumulated and there was a prominent division of labour and other classes.

## **Workshop Stage**

Since there is a need to manufacture products on larger scale the workshop stage soon overtook the handicrafts stage, standardised tools came to used and the small workshop manufactures dominated the general market. The employer-employee relationship, however, was still cordial, sympathetic and personal, though the elementary problems of labour relating to wages, hours of work, recruitment and employment also surfaced about this time.

## **Industrial Revolution**

Virtually industrial civilization began with the introduction of factory system which was largely responsible for the rise of cities as production of goods was shifted from small workshops and cottages to large factories located in big towns and cities. A large number of workers migrated into the cities in search of employment in the factories for survival.

Large scale of production and division of labour became the order of the day in Britain along with the growth of capitalism. England may be regarded as the original home of modern industrial capitalism and spread to other countries of Europe and to the United States of America.<sup>52</sup> The workers became an "exchange" whose labour was treated as the prime cost of production in such a manner as new materials were and are treated.<sup>53</sup> Industrial capitalists accelerated method of production and flooded world markets with cheap goods which had led to the growth of Trade and Commerce. The doctrine of Adam Smith, J.S. Mill, Spencer had resulted in concentration of wealth in few hands as there was no legal restriction on trade, production, exchange of wealth and accumulation of property. This had led the manufacturing class whose commercial doctrine was laissez-faire to labour exploitation and victimisation.

# **HISTORICAL DEVELOPMENT OF SOCIAL SECURITY** **IN INDIA**

The developments of social security are closely linked to changes in the economy and society. History is not only for those persons interested in how things were in the past, but also important in facilitating us to understand the present. Hence, an attempt has been made to trace the origin and development of social security system in India with a view to identify lagging in social security system.

In India, social security schemes have been in existence since times immemorial. In the beginning, economic security for needy persons was provided primarily through individual efforts. Gradually, to meet contingencies, organised methods developed to deal with the problems of insecurity. In the early days when human needs were limited and livelihood was based primarily on agriculture, joint families, craft guilds, churches, charitable philanthropic and other religious institutions provided these securities.

In order to appreciate the growth and development of social security through different stages, it has been conveniently divided into following phases:

Pre independence phase, and

Post independence phase.

### **Pre-Independence Phase**

In the pre-independence era, social security measures were extremely limited in its scope and new trends started developing in India during British period when hundreds of factories developed in Bombay, Madras, Ahmedabad, Calcutta, Nagpur and Khanpur. Hence, it is desirable to discuss the social security measures adopted in the following periods:

- **Hindu period;**

- **Muslim period; and**

- **British period.**

## **Hindu Period**

In ancient India, joint Hindu family was the unit of social organisation and was also the original cell for security, prototype and analogous to the further institutions. The reciprocal obligations of the parents to support the child in infancy and of the son to support the parents in old age were represented in social insurance by the solidarity of generations.

The society in ancient India did not witness the class struggle as between the employer-employee, exploiter-exploitee and oppressor-oppressed. Since, system of regulation existed regarding wages, mode of their payment and fixation, availability of leave to workers. All these details are found in Arthasasthra, Yajnovalkya, Brahaspathi, Naradas smritis etc. Kautilya's Arthashastra is the building example of the introduction of the philosophy of social security in ancient India. Kautilya attached a great importance to female labour. Female labour in ancient India was recommended in occupation like husking, grinding, winnowing etc. Kautilya has also mentioned a number of pension schemes in his work, such as, educational pension, public poor relief. He says that "State itself should provide support to poor, pregnant women, to their new born off spring, to orphans, to the aged, the infirm, the afflicted and the helpless".

## **Muslim Period**

During Mughal period due to frequent warfare there was a rapid decline of Indian Industry. The impact of Muslim culture and thought on India gave a new depth to the concept of charity and social service. Islam enjoins five major duties on its followers, one of which is 'Zakat', meaning charity. The Mughuls had a special governmental department to supervise the administration of charities and endowments. Among Mughal rulers, Akbar the Great made certain provisions for learned. Shajahan made liberal grants to spiritual guides, literary men and musicians. The motive of charity was religious rather than safe guarding the economic interest of the poor.

## **British Period**

The Indian industry has declined considerably after the Britishers, came as local industry was hardly encouraged. The first cotton textile factory was set up at Bombay as early as 1854. Along with large scale cotton and jute textile industries, seasonal industries like cotton ginning, cotton and jute pressing and rice milling also cropped up.

New trends started developing in India during British period as a result of the technological developments and industrialisation which had led to the establishment of two distinct classes in the society that is employers and employees. Joint family system lost its validity to provide security against certain socio-economic contingencies as labour was drawn to factory in order to improve their living conditions. There was hardly any law of the land in India to govern labour matters.

Exposure to serious accidents due to unprotective methods of handling machines and sickness due to unhealthy living and working conditions made the workers entirely incapable of work which in turn considerably reduced their earning capacity. The capitalists wanted more production but for less wages.