GLOBALIZATION AND SOCIAL SECURITY

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Introduction

Bismark coined the term "Social Security" as we know it today in the eighteen eighty in Germany. It only received formal approval and was used authoritatively in the United States of America for the first time in 1935.

Social Security encompasses employment security, job availability, an acceptable quality of living, some income while jobless, retirement income, recreation, self-improvement, medical and poor health, or death. Social Security makes provisions for the welfare of those who are unable to find work for a variety of reasons, including poverty, inaccessibility to the mainstream of life, old age, physical impairments, mental or other illnesses, oppression by the ruling class of people, and unavailability. Social Security is an ever-changing idea. Because this is a dynamic issue, there is no way to set a firm limit for the foreseeable future. It changes depending on the season and the country.¹

In each country, regardless of government type, the social security system is a vital aspect of government policy. Any country's growth, progress, and prosperity are dependent on the growth, progress, and prosperity of its population. This is the goal of the Social Security System. It assures the enforcement of human rights recognised by the international community and enshrined in state laws. The necessity for this system has grown in relevance as individuals, as seen throughout history, have faced uncertainty about their basic life owing to unemployment, disease, disability, death, and old age, which has slowed the progress of many nations. Social Security has evolved as the state's obligation to its citizens.²

The entity controlling the conduct of the society provides security to the society from the insecurity to its existence induced by different socioeconomic and even geographical elements. The support provided by society to its members through a succession of public measures against economic and social misery caused by the absence or severe loss of wages owing to sickness, maternity, workplace accident, unemployment and underemployment, invalidity, old age, and death. Traditional Social Security practises and institutions faded away as countries modernised, prompting the creation of legally stated, institutionalised systems with the State playing a prominent role. And the nation's part in developing Social Security systems and offering public aid to deal with unforeseen situations demonstrates the nation's strength as well as magnificence.

Governments, whether established or developing, play a critical role in improving social welfare by assisting needy individuals. The goals of social welfare range from


alleviating poverty and achieving a basic standard of living that ensures a decent existence to fostering greater economic equality by transferring resources from the affluent to the poor through taxes in the form of social services. Social Security is one example of a specific subject that falls within the purview of the welfare state. As a result, in a welfare state, Social Security is a significant mechanism for achieving income security, i.e., a minimum income for those in need and a suitable replacement of income for those who have contributed to their level of income advancement. As a result, Social Security is critical to the overall well-being of the community.\(^3\)

**Research Problem**

Due to globalisation, the organised labour force is declining, and there is a massive growth in unorganised labour in emerging nations such as India, leading to a significant increase in the Social Security crisis. As a result, the majority of workers in the aforementioned unorganised sector face insecurity and, as a result, are in desperate need of comprehensive Social Security measures. The solution to the problem is to restructure and revitalise the Social Security system to safeguard employees in the unorganised sector.

Though we have enacted the good number of Social Security legislation to meet the mandate of our constitution and provide a sort of protection to the people in case of various providential mishaps, the scope and coverage of these legislations are limited to hardly 9% of the workforce, who are in the so-called organized sector, as per 2005 census conducted by labour bureau. But remaining 91% of the persons working in the unorganized sectors such as the small and 16 marginal formers, the landless agricultural labours, the rural artisans, the handicraftsmen and women, the fishermen and women, the salt workers, the hamals and the building and construction workers etc. are deprived of any kind of protection under many of the Social Security legislation of the nation.

**Hypothesis**

- Social security is a universal necessity and a fundamental human right.
- The vast bulk of Indian Social Security rules apply solely to workers in the organized sector.
- Social protection legislation in emerging nations must be improved to give security to unorganised employees.
- There is a lack of enforcement of Social Security legislation in India.
- In India, the social security provisions offered to unorganised employees are woefully insufficient and should be reinforced.

**Methodology**

The methodology adopted by the researcher in this work is entirely ‘doctrinal’ in nature. The research is both analytical and descriptive. The researcher, for this study, has relied on various sources of information, both primary and secondary, including Constitutional Law, labour laws, Social Security laws, relevant statutory provisions, articles published in various journals, texts-books, reports of various committees and commissions, law journals, judicial

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pronouncements, commentaries and websites etc., and uniform mode of citation are adopted.

**Historical Perspective of Social Security**

Development is a comprehensive economic, social, cultural, and political process that aims to continuously improve the well-being of the entire population and all individuals through their active, free, and meaningful participation in development and the equitable distribution of benefits that result from it. The fundamental objective was social development, with economic expansion serving as a tool to that end. Since India's independence, the major plank of development strategies has been the alleviation of poverty and raising the living standards of poor people, the promotion of education and employment, and the empowerment of citizens through the acceleration of development along with growth and social justice.4

These goals were given top attention in all Five Year Plans. In reality, preparations for achieving these objectives began long before India gained independence. The Indian National Congress approved a significant resolution on Fundamental Rights and Economic and Social Change in Karachi in 1931, the contents of which have been seen as forerunners of the Directive Principles in the Constitution.

The International Labour Organisation which made the first systematic effort to define the term Social Security explained it as, “The security that society furnishes through appropriate organisation against certain risks to which their members are exposed. These risks are essentially contingencies against which the individual of small means and meagre resources cannot effectively provide by his ability or foresight or even in private combination with his fellows, these risks being sickness, maternity, invalidity, old age and death. It is the characteristic of these contingencies that imperil the ability of the working man to support himself and his dependents in health and decency.”5

According to Jean Dreze and Dr Amatya Sen, “The basic idea of Social Security is to use social means to prevent deprivation and vulnerability to deprivation.”

The concept and aim of Social Security vary from author to author, vary from scheme to scheme, and discriminate from contingency to contingency based on the nature of their Constitutions, such as capitalist countries, umbrella democracies, socialist societies, and communist states. To some extent, several of the definitions mirror the real situation in capitalist countries.6

The history of Social Security has the following three different stages:

**Social Security in Ancient India:** In ancient Indian jurisprudence, social welfare and social security were the focus of ‘Dharma,’ which has an ultimate goal, a distinguishing trait, and that ultimate goal is to alleviate people's sorrows. In ancient India, the focus was on the individual's obligations rather than their rights. Everything was done in the society, the organizational unit, and everyone lived for the sake of the society, its welfare, and progress. It was the responsibility of both the King and his subjects. Every activity, according to the dictates of Dharma, was

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4 [https://www.eldis.org/document/A16833](https://www.eldis.org/document/A16833)
conducted to contribute to the welfare of society, which greatly aided the economic situation.

**Social Security in Medieval India:** Sultans of Perso-Afghan-Turkish ancestry reigned for almost three and quarter centuries. The sultan and his nobility, along with their entourage of personal servants and entertainers, inhabited the upper strata of society during the Sultanate period, with a few dependent middle classes. The Sultan's tasks were mainly restricted to the preservation of peace, protection from foreign invasions, the levying of taxes for administrative purposes, and the provision of severe and impartial justice to the people without regard for class. Aside from these restricted secular tasks, the rulers appear to have shown little concern in fostering the general well-being of the population.

**Social Security during Modern India:** The need and utility of an appropriate 'Social Security System' for India's rural population is well-established in light of their changing lifestyles and living conditions, the disintegration of the joint family system, socio-economic condition, increasing probability of accidents and occupational diseases as a result of mechanized farming and use of agricultural pesticides, as well as crop failure due to natural calamity, and at the same time the affluence of the affluent. The Societal Security system, in principle, is designed to safeguard against social dangers such as death, injury, and old age.

**Social Security and Indian Law**

To safeguard and defend the rights of the most vulnerable members of society, laws are becoming increasingly vital; without them, they would be living an animal existence rather than a dignified life. The recognition and enforcement of human rights have gained significance as civilization has arisen and scientific growth has reached much higher levels, whereby the local has become global and the global has become local. There are many legislations in each state, regardless of the style of government, for delivering and safeguarding Social Security. In India, legislation has been enacted by both the Parliament and the different State Legislatures to offer Social Security to the weakest sections of society. The rules and regulations that control social behaviour are referred to as the law. If there is no legislation to govern behaviour in any civilization or region of the globe, even a game will quickly devolve into a brawl.7

Both Social Security and the legislation have the same purpose. The former refers to a smaller and more defined sector of society, whilst the latter refers to an all-inclusive segment of society.

The law’s objective is to ensure, preserve, and protect societal peace and harmony. The purpose of Social Security is to offer a haven for society's weaker and more vulnerable members, allowing them to enjoy a dignified life on par with the rest of us. The Social Security Laws attempt to protect people from numerous eventualities or unknown hazards that might occur at any time and in any country. The notion of Social Security is as ancient as mankind itself, and men yearn for Social Security in every civilization. In the early time, society, religious organizations,

or rulers attempted to address social security issues with limited means.

The Indian Constitution establishes the framework for both the Parliament and the States to adopt social security laws. The primary social security legislation adopted in India are as follows:

- **The Employees’ State Insurance Act, 1948**

  It applies to companies and businesses with ten or more workers and offers comprehensive medical care to employees and their families in the form of cash benefits, including during illness and maternity, as well as monthly payouts in the event of death or disability.

- **The Employees’ Provident Funds & Miscellaneous Provisions Act, 1952**

  It requires payment of compensation to the workman or his family in cases of employment-related injuries resulting in death or disability. The Workmen Compensations Act, 1923 provides for the payment of compensation to workmen for injuries sustained in accidents. After the amendments were effected in 1995, the Act has 4 Schedules. Schedules I provide a list of injuries with the percentage of disablement (loss of earning capacity). If the injury is not a scheduled injury, the loss of earning capacity has to be proven by evidence. The majority of the workers who are not insured under the ESI scheme are covered under The Workmen Compensation Act. The Act does not apply to those who are employed in occupations enlisted in Schedule II. Nor is relief available if the injury has taken place when the injured worker was not engaged in discharging duties related to the employer’s trade or business. The employer is liable to provide monetary compensation to the worker or depend in case of death or disablement provided it occurs out of and in the course of employment. An occupational disease listed in Schedule III of the Act is also accepted as an accident that occurred while on duty. The burden of proving that the accident arose out of employment is upon the workers.\(^8\)

  The process of requesting disability compensation is so long and tortuous that one seldom receives the sum to which one is legally entitled. Any certified medical practitioner can certify the situation, and the victim can submit a claim in the workmen's compensation commissioner's court, with a copy to the employer. The matter is decided by the workers' compensation commissioner, and the amount of compensation is recovered by the revenue department. However, workers in the unorganised sector sometimes find it difficult to verify who their employer is, which causes cases to be delayed and, in some situations, workers to die without obtaining any compensation.\(^9\)

- **The Factories Act, 1948**

  The Factories Act of 1948 was enacted to safeguard factory employees. The Act has been amended several times throughout the years. The major purpose of the Act is to guarantee proper safety measures and to promote workers’ health and safety, as well as to deal with benefits and welfare facilities, as well as health, safety, and hygiene inside industrial premises. Workers’ health provisions are primarily concerned with hygiene, waste and effluent disposal, ventilation, and temperature management.

\(^8\) Ibid

\(^9\) Ibid
• **Building and other Construction Workers’ (Regulation of Employment and Conditions of Service) Act, 1996**

It strives to provide a safe and healthy working environment for building and construction personnel. A fund was established using cess income received from employers and worker payments. Advantages under this Act include aid in the case of an injury, pension payments, home-building loans, and support for group insurance schemes, child education, and maternity benefits for female recipients, among other things. There are provisions to regulate labour hours, welfare, and other service conditions.

• **Payment of Wages Act, 1936**

The Payment of Wages Act of 1936 governs the payment of wages to specific categories of employees. The major goal of the legislation is to ensure regular and prompt payment of wages and to prevent wage employees from being exploited by preventing arbitrary penalties and deductions from earnings. The Act was later revised in 1957, 1962, 1964, 1967, 1976, and 1982 to broaden its scope and applicability. The salary ceiling was raised to encompass those earning less than Rs 1600 per month as a result of the 1982 Amendment Act.

• **Minimum Wages Act, 1948**

The Minimum Wage Act of 1948 is the most important legislation created for the benefit of unorganized labour. It was adopted to fix, evaluate, and resurrect the minimum wage rates in planned sequence when employees are employed in the unorganized.

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12 https://www.files.ethz.ch/isn/102835/18.pdf
Impact of Globalization on Social Security

Globalization means forming a new system of worldwide economic ties, whether in investment, industry, trade finance, or technology. In this nation, there have been two approaches to Social Security payments: citizen-based entitlements and work-based entitlements. The citizen-based approach entitles every citizen, just under being a citizen of the nation, to certain services, specifically the public distribution system, the health-care system, and the educational system.13

In India, the primary statutory work-based benefits are old-age benefit systems, including the Employees Provident Fund and the Public Provident Fund, as well as health services (in particular the Employees Social Insurance Scheme). Furthermore, there are programmes for certain sectors covered by the Financial Incentive. Funds are collected in Welfare Funds by levying a cess on the manufacture, sale, or export of specific commodities, or by collecting contributions from numerous sources, including the employer, employee, and government. The Welfare Funds are utilized to cover the costs of workers' welfare. The citizen-based entitlement approach is a 'rights' approach, which means that as a citizen of the country, every human being has a right to fulfilment of certain fundamental requirements, and it is the State's job to meet those needs. There are now a lot of residents or impoverished people on a means tested basis. These include systems for drinking water, health care, education, food security, housing, and social assistance. The state is expected to finance the services as well as provide them.

The foundation of the International Labour Organization (ILO) boosted public sentiment in favour of providing Social Security precautions based on the ideas of ensuring global peace and social fairness. In India, two Social Security enactments were introduced: the Workmen's Compensation Act of 1925 and the Employees' State Insurance Act of 1948, which provided protection or security to industrial staff in different uncertainties such as industrial injury problems and provided medical, maternity, as well as funeral benefits, among other things.14

Social Security law has always been seen as an essential concept. The notion of Social Security law is fundamentally linked to the lofty principles of human dignity and social fairness. Comprehensive Social Security regulations safeguard people from birth to death in a new welfare state. Its implementation and management of numerous difficulties relating to Social Security legislation vary from nation to country, and its plans, strategies, and programmes reflect the growth and development of any country. The significance of Social Security legislation is recognised and implemented in nearly every country throughout the world.15

Industrialization had several negative repercussions on the socio-economic field. Employees in many nations abandoned their families and relocated to cities in search of a better way to fulfill the bare necessities of living; as a result, cities grew congested, and industrialists abused the workers to get the typical upper hand and profit motive. One of the Social Security methods is to provide subsistence for members of society who are unable to work. The degree and circumstances of Social Security funding and management

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techniques suited to the unique elements of economic, social, and historical growth vary for each nation. As a result, the workers suffered from low salaries and poor facilities, and they were eventually forced to live a wretched existence. Working conditions in industries were dangerous to workers' lives. The underlying concept behind Social Security law is that a person who has worked for the prosperity of his nation should be protected from all sorts of threats. Any country that does not have Social Security legislation is inevitably ignored and bereft of any kind of process or tranquility.\textsuperscript{16}

Conclusion

Since time immemorial, the concept of social security has been discovered to be deeply interwoven in institutions such as joint family, religion, caste, and village communities, as well as in the norms, rights, and obligations of people and occupational groups in India.

The government offers health and economic protection to the people in society against dangers to living a decent life such as job instability, unemployment, low pay, exploitations, old age, accidents, deceases, natural catastrophes, poverty, death of the breadwinner, invalidity, and so on.

The ILO advises that employees be protected against sickness, disease, and injury as a result of their job, that they are provided for in old age and injury, and that their interests be protected when they work in countries other than their own.

According to Dharmashastras, “the King was placed under an obligation to help orphans, aged, widows and those suffering from disease, handicaps and calamities.” Ensuring education, training and employment using the resources of the state were also made obligatory on the part of the King as a part of Rajadharma. The provision for the deduction of a part of the wages of the employees and to provide the amount later according to his requirement and the provision for pension and family allowance were laid down in “Sukranitisara” a compilation of the rules of Rajadharma. Furthermore, its related subjects included the collection of grains from the people during normal times as an “insurance fund,” distributing them freely to the needy people during famines and other tragedies, and conducting public works as a method of providing employment. This demonstrates that the notion of Social Security, even in its contemporary form, existed in ancient India. Guilds and business groups appear to have made major contributions to giving relief to the destitute.

Large MNC's can maybe procure the greater part of our Indian organizations. The trans-public organizations are in reality keener on uniting their stakes in existing joint endeavors in India rather than putting resources into new green-field projects. These unfamiliar financial backers are fit for controlling and furthermore making issues for the Indian economy. Over the most recent couple of years global organizations have begun gaining the whole value of their Indian auxiliaries through open offers and afterward de-posting from the stock trades. Today, Social Security points towards a formative methodology. Because of the globalization, every one of the nations including created just as emerging nations, have authorized and upheld numerous

enactments for the coordinated and disorderly area in giving Social Security. As of now, because of progression and globalization took on by our country, there is an earnest need of far reaching Social Security strategy to broaden more extensive inclusion of Social Security measures for the sloppy area laborers to cover the quantity of possibilities like ailment, maternity, advanced age, disablement and work injury and so on.

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