
Analysis of Social Security Scheme: A Study in Peraje Village

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Abstract: *The social protection to the working class people plays crucial role in the time of accidents; mishappenings and at the time of old age. A country will develop when it has more productive labours. When it comes to the labour welfare and development, the social security scheme stands first. Government has launched many social security schemes but it focused only on organized sector workers in reality. From the decade, major portion of unorganized sector workers are denied by the basic social security schemes like PF, ESI, gratuity etc. Many attempts were made by the various Governments to overcome this problem. Keeping this in mind Government of India has launched JAN SURAKSHA scheme under Financial Inclusion Programme in 2015. The three social security schemes like PMSBY (accidental benefit scheme), PMJJBY (Any type of death compensation scheme) and APY (old age pension scheme) were introduced by the government in order to give social protection to the unorganized sectors of India. The study is conducted in Peraje village to know how these schemes obtained and reached to the unorganized sector workers of the village. The purpose of my research is to create awareness and to evaluate the performance of proposed social security schemes like PMSBY, PMJJBY and APY scheme in Peraje village of Madikeri Taluk.*

Key Words: *Social Security, Labour Welfare, Unorganized Sector, Financial Inclusion.*

Introduction

Social Security is becoming a distinct part of Social Policy of our country and the time has come to give serious thought to ever-increasing Social Security needs of the population. There are diversified views on extension of Social Security coverage. Some say it should be limited to only working population and to their families and while others say that the entire population should be covered under social security programmes. In this background it is proposed to examine and understand the concept and objectives of Social

Security, Social Security schemes in general and the administration of provident fund, pension schemes available in the country in particular, their administrative arrangements like coverage, implementation of the legislation, benefit delivery etc. It is also proposed to attempt to suggest the methods to strengthen the administrative arrangements available for benefit dispensation. Our study mainly deals with the PMSBY, PMJJBY and Atal Pension scheme from the administration/organizational point of view.

Objectives of the Study

1. To study how best APY, PMSBY, PMJJBY schemes have succeeded in reaching population of Peraje.
2. To understand the benefit of three schemes and to know how much expenditure the government of India has to bear uplifting these schemes
3. To understand which scheme is more obtained by the people of Peraje village and make comparison between other private insurance scheme.

Methodology

The present study is partially qualitative and partially quantitative in nature. The methodology of the study is as follows.

Area of the Study

The present study is geographically restricted to Peraje village of Madikeri Taluq. The primary data is collected from the respondents in Peraje village.

Source of Data

The present study is based on both primary and secondary sources of data. Primary data is collected through sample method by using well designed questionnaire method. Besides questionnaire method personal interview method will also be used for collecting the desired information. Secondary data is collected through various journals and magazines. The respondents shall be selected through simple random sampling method.

Data Analysis

In order to test the objectives of the study, data gathered through primary investigation shall be analyzed with help of simple statistical tools such as percentage and averages.

Social Security in India

The underlying idea behind social security measures is that there is a duty on the society to protect the working class that contributes to the welfare of the society against hazards. It protects not just the workman, but also his entire family in financial security and health care. The social security can be provided by institutional and non institutional agencies. The non-institutional agencies existed from time immemorial and they are the back bones of the present social security programmers. India is a good example of having non-institutional form of social security measures in the world. The needy and unfortunate are seen protected in joint family set up and the caste system. The hardship due to unemployment, economic difficulties, old age, widowhood etc., was taken care of by joint family system.

It had a religious backing also. An additional help from individual and institutions was provided to them through the guilds, community and Panchayats, orphanages, widow homes and charity centers available during that time. This indicates that India had its own social security systems of 1. Self-sufficient village economy; 2. Caste system; 3. Joint family system; 4. Organizations of charity. Following the development of liberalism and individualism fostered by the Western influence, these roots of Indian society were shaken and ultimately lost its significance. The society, its culture and custom were affected a great deal by the foreign impact and a new society based on class gradually emerged. Industrialization created a new class and this rising up class with its rural background and without social and material resources urgently necessitated systematic help from various social security agencies other than the traditional ones. The ideals of social security ultimately became a social responsibility largely depending on the resources and needs of the country. India is a country, where economic resources are less and needs are more. The social security enactments that we find today in India are an amalgam of the ideals and principles emerged over the years.

In the early historical times, people were living in a more secured or protected environment. As stated above, the system of the joint family, the guilds, the caste, community panchayats and religious institutions have been providing protection to individuals from the evil consequences of various contingencies. The development of modern state totally changed the social set up in India and the state assumed the role of protector of people from evils. The philosophy of welfare has resulted in legislative schemes designed to channel all economic

activity for collective good. Originally, labour law was almost a part of private law but now it has become part of public law.

From the middle of 19th Century to the end of First World War, the Indian Industrial Legislation was in the period of origin. It was through a slow and steady process that the Industrial Law took root in India. The Apprentices Act figures the first law introduced in India relating to labour. It was enacted for better enabling children to learn trades, crafts and to seek employment by which when they come to full age, they may gain a livelihood.

Famous Social Security Schemes

Pension or Employee's Provident Fund

The Employees' Provident Fund Organization, under the Ministry of Labour and Employment, ensures superannuation pension and family pension in case of death during service. Presently, only about 35 million out of a labour force of 400 million have access to formal social security in the form of Old-Age Income protection in India. Out of these 35 million, 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military personnel, and employees of State Public Sector Undertakings (PSUs).

Health Insurance and Medical Benefit

India has a National Health Service, but this does not include free medical care for the whole population. The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees.

The ESI (Central) Amendment Rules, 2016 – notified on December 22, 2016 – expanded coverage to include employees earning Rs 21,000 (US\$313.53) or less in a month from January 1, 2017; previously, the wage limit for ESI subscribers was Rs 15,000 (US\$223.95) per month. Subsequently, the Employees' State Insurance (Central) Amendment Rules, 2017 was notified on January 20, detailing new maternity benefits for women who have insurance.

Maternity Benefit

The Maternity Benefit (Amendment) Act, 2017 came into force on April 1, 2017, and increases some of the key benefits mandated under the previous Maternity Benefit Act of 1961. The amended law provides women in the organized sector with paid maternity leave of 26 weeks, up from 12 weeks, for the first two children. For the third child, the maternity leave entitled will be 12 weeks. India now has the third highest maternity leave in the world, following Canada (50 weeks) and Norway (44 weeks).

The Act also secures 12 weeks of maternity leave for mothers adopting a child below the age of three months as well as to commissioning mothers (biological mothers) who opt for surrogacy. The 12-week period in these cases will be calculated from the date the child is handed over to the adoptive or commissioning mother.

Gratuity

The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for five years or more.

Gratuity is provided as a lump sum payment by a company. In the event of the death or disablement of the employee, the gratuity must still be paid to the nominee or the heir of the employee.

ATAL PENSION YOJNA

The Government of India has introduced a pension scheme called the Atal Pension Yojana (APY), with effect from 1st June, 2015, pursuant to the announcement in the budget for 2015-16 on creating a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. APY is being administered by the Pension Fund Regulatory and Development Authority (PFRDA) under the overall administrative and institutional architecture of the National Pension System (NPS). APY is a voluntary, periodic contribution based pension system, under which the subscriber would receive the following benefits

PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA

The scheme will be a one year cover, renewable from year to year, Insurance Scheme offering life insurance cover for death due to any reason. The

scheme would be offered / administered through LIC and other Life Insurance companies willing to offer the product on similar terms with necessary approvals and tie ups with Banks for this purpose. Participating banks will be free to engage any such life insurance company for implementing the scheme for their subscribers.

PRADHAN MANTRI SURAKSHA BIMA YOJANA

The scheme will be a one year cover, renewable from year to year, Accident Insurance Scheme offering accidental death and disability cover for death or disability on account of an accident. The scheme would be offered / administered through Public Sector General Insurance Companies (PSGICs) and other General Insurance Companies willing to offer the product on similar terms with necessary approvals and tie up with Banks for this purpose. Participating banks will be free to engage any such insurance company for implementing the scheme for their subscribers.

Table 1: Profile of Peraje Village Panchayath

Particulars	Total	Male	Female
Total No of Houses	846	-	-
Populations	3823	1912	1911
Child (0-6)	384	203	181
Scheduled Caste	169	82	87
Scheduled Tribe	418	206	212
Literacy	89.24%	93.45%	85.09%
Total Workers	1878	1165	713
Main Workers	1812	1293	0
Marginal Workers	66	26	40

Source: Peraje Panchayath

Peraje is a large village located at Madikeri Taluk of Kodagu District, Karnataka with total 846 families residing. The Peraje Village has a population of 3823 of which 1912 are males and 1911 are females as per census 2011.

The number of children with age 0-6 is 384 which make up 10.04% of total population of the village. Average sex ratio is 999 which is higher than Karnataka state average of 973. Child sex ratio of Peraje is 892, which is lower than Karnataka's average of 948.

Peraje village has higher literacy rate compared to Karnataka. According to 2011, literacy rate of Peraje village is 89.24% compared to 75.36% of Karnataka. In Peraje male literacy stands at 93.45% while female literacy rate is 85.09%.

As per constitution of India and Panchayath Raaj Act, Peraje village is administered by Sarpanch who is elected representative of village.

Caste Factor

Scheduled Tribe (ST) constitutes 10.93% while Scheduled Caste (SC) is 4.42% of total population in Peraje village.

Work Profile

In Peraje village, out of total population, 1878 are engaged in work activities. Among them 96.49% of workers described their work as Full time (Employment or Earning more than 6 months) while 3.51% are involved in Marginal activity providing livelihood for less than 6 months including 29 cultivators (owners or co-owners) and 5 Agricultural labours.

Table 2: Performance of APY, PMSBY and PMJJBY Scheme in National Level

Serial Number	Schemes	Total Enrollment	Total Claims Received	Total Claims Disbursed
1.	APY	62 lakh	-	-
2.	PMSBY	13.5107 crore as on 23.04.2018	22294	16644
3.	PMJJBY	5.3382 crore as on 23.04.2018	100,881	92089

Table 3: Performance of APY, PMSBY and PMJJBY Schemes in Karnataka

State	PMSBY	PMJJBY	Total
Karnataka	6105991	2755236	8861227

Source: Finance Department of India

Table 4: Performance of APY, PMSBY and PMJJBY Schemes in Peraje Village

Serial Number	Schemes	Total Enrolment
1.	APY	46
2.	PMSBY	1845
3.	PMJJBY	1312

Source: Grameena Bank Peraje, Kodagu

The Three Mass Universal Social Security Schemes introduced by the Government of India in the year 2015 specially targeting unorganized sector workers in order to give social protection from probable mishap. After three years the government could not achieve its target. The performance of PMSBY and PMJJBY Scheme is appreciable in national level. The performance of APY is not upto the mark.

The study was conducted in Peraje village to know the performance and how far these schemes succeeded in reaching the people. Total 1845 and 1312 enrollment held under PMSBY and PMJJBY Scheme respectively. The performance APY scheme is noticeable in Peraje Village.

Major Findings

1. Major unorganized respondents are aware of the Social Security Scheme introduced by the government.
2. LIC India scheme more popular in Peraje village.

3. Respondents get more information from local political leaders.
4. Total enrollment under PMSBY and PMJJBY is more
5. Enrollment under APY scheme is low because of high premium amount
6. Respondents are aware of the benefits and amenities provided under these three Schemes.
7. Respondents get sufficient information.
8. Respondents strongly recommended over setting up of information centre and appointment of agents at Panchayath level.
9. Respondents know the premium amount of Schemes than the name of the Scheme.

Conclusion

Government passed many Schemes in order to give social protection to the organized sector workers like PF, ESI and Gratuity etc. It is a milestone in the history of Labour Welfare. In India unorganized sector workers have been deprived of the basic Social Security Schemes for the last six decades. Many governments passed many schemes but could not reach the real beneficiaries. Keeping this in mind the NDA government passed Universal Social Security Schemes specially targeting unorganized workers of India under Financial Inclusion Program namely Jan Suraksha Scheme. The Scheme is performing well. It covered all sections of the society in providing basic social protection to unorganized workers of India. Still there are many setbacks in the schemes. Government must specially focus those areas in order to have effective implementation of the schemes.

It can be concluded that the organized efforts are necessary for the welfare of labour class. They are most vulnerable and deprived section of the society in need of protection, security and assistance. A lot of weaknesses have been found relating the proper implementation, inadequacy of benefits, long procedure of assigning benefits etc. Obviously such factors create great hurdles in the proper execution of social security and are also responsible for the limited utilization of the Social Security Legislations which hit the basic aim and objective of the social security. The social security system needs to be effective and constructive and should have of more and more coverage areas. The government should get the confidence of the working class to protect them from uncertain contingencies so that they can happily contribute towards Social Security Scheme.

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