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Global Social Security Practices –A Brief Discussion

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INTRODUCTION

International Labour Organization (ILO) that a society provides to individuals. And households to ensure access to healthcare and to guarantee income Security, particularly incases of old age, unemployment, sickness, invalidity Work injury, maternity or loss of a breadwinner. United nation general assembly. Also, while adopting universal of human rights, recognized the right to social. Security to everyone and stated through article 22 that every member of the Society has a right to social security. In India, the Constitution has not yet recognized Right to security as a fundamental. Right, the legislations related to it derive strength and spirit from the directive principals of state policy, specially Articles 41, 42 and 47. To give effect to above provisions, the Government of India, from time to time, has enacted various laws and schemes some of which we be discussing here. We will also discuss similar provisions existing in China, Australia and The Social security Schemes of Australia and The Netherlands are considered among the best in the world whereas China is taken here due to its closeness with India in Terms of population.

India: what options we have :

In India, the Social Security Schemes may be understood as of two types – Contributory and Non-Contributory. In contributory, financing of the social security programs is by contributions Paid by workers and employers and in some cases supplemented contributions/ grants from the Government. They may be compulsory like the EPF or may voluntary like Atal Pension Yojana. Contrarily some major non contributory laws are Payment of Gratuity act. Maternity Benefit Act ect. They may be further classified in to targeted and non – targeted. The employee Provident Fund and miscellaneous Provisions Act provides for three schemes related to PF, Pension and insurance. These are being run through an Autonomous body called EPFO which provides a portable universal Account Number (UAN) to all the beneficiaries. The employee contributes 12% of his/her pay to this and there will be a matching contribution from the employer. For the employee of Central/State Government Central Autonomous Bodies (CAB) and Public sector Organization, National Pension System (NPS) is implemented where 10% of the pay is being contributed by employee and 14% is being contributed by the employer. Other schemes like Atlas pension Yojana (APY), PM –SYMD etc. are available for self employed individuals to cater to their pension related needs. For healthcare, The Employee State Insurance Scheme is being implemented through an autonomous Body called ESIC. Here, employee contributes 0.75% of the wages and employer contributes 3.25%. Through a chain of hospitals and dispensaries, ESIC provides Sickness benefit including medical care Disablement benefit, dependents benefit in case of death due to employment injury and some other benefits like funeral expenses. For people working in unorganized sector, Ayushman Bharat Yojana is being implemented widely. The Maternity benefits are being provided through Maternity Benefits Act in which Female workers Are

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entitled for paid holidays for up to 26 weeks per child for two children. There is also provision for A third child, adopted child and sick leave for a period not exceeding one month in sickness arising out of maternity. Workmen compensation act is law for compensation due to death/ disability arising out of employment Injury. This Act takes care of two contingencies which are disablement and death due to employment Injury. A lump sum compensation amount is paid to the disabled worker or the dependents as the case. May be during both the contingencies. Both Maternity benefit and workmen compensation Acts are non-contributory where employees are not required to pay any part of their wages. The liability for Payment of benefits is on their wages. The liability for payment of benefits is on the employer and it is legally bound to pay. Other provisions also exist for various other need. Following the recommendations of recommendations of second on second National commission on labor, nine Regulations including those discussed here, relating to social security, retirement and employee benefits have now been subsumed into Code on Social Security 2020. The code has also widened coverage by including the unorganized sector, fixed term employees and gig workers, platform Workers, inter-state migrant workers etc.

The Chinese Approach:

The Social Insurance Law of PRC, which came into effect on 1st July 2011, consolidated earlier Law introduced additional provisions and removed some drawbacks on old Laws like differential treatment of urban and rural workers etc. It focuses on five Social Insurance Programs and their Minimum standards. These are pension, Medical Insurance. Unemployment Insurance, employment Injury and Maternity insurance. Although contribution rates vary slightly across provinces, both Employee and the employer contribute in pension, Medical and Unemployment insurance whereas only employer contributes in Maternity and Employment injury. For example, in Beijing, employer Contribution is 16% in Pension whereas employee contributes 8% for medical insurance, employer Contributes 10% and employee contributes 2%. An additional component of Chinas Social Security System is a housing fund which is applicable only to Chinese employees and both employer and employee contributes 12% each in Beijing, 7% each in Shanghai etc. Still there is regional diversity in rates and implementation, but portability has been addressed by the new Law.

Learning From Australia:

Unlike India, most of the social security schemes in Australia are Means tested which implies that the income determines eligibility or benefit amount. Payments and services are delivered through Centre link, an agency of Australian government. For pension, which is called age pension in Australia Eligibility is determined by three factors which are Retirement Age (which is now 67 year and increases by 6 months every 2 years), Residency Rule, and Asset and Income Test. Asset and Income test. Asset and income test determines the rates of pension for an individual or couple. Pension supplements like pharmaceutical and telephone allowance are provided in addition to age pension. The unemployment benefit, called as job Seeker Payment in Australia is paid to residents Seeking work, based on mutual agreements between applicant and Centre link. The obligations on the part of applicant includes mandatorily applying for certain number of jobs, undertaking training Getting paid experience etc. it does not have any time limits. The next is disability Support pension which is paid if someone is having a permanent physical, intellectual or psychiatric condition which stops him/her from working. There are certain medical and non-medical criteria along with income and asset rues for this also. Sickness Allowance is also paid only after assessment of assets and income of individual. Various other benefits exist like Career Payment, parenting Payment, Youth Allowance etc. most of the benefits are paid fortnightly in Australia.

The Dutch Model from Western Europe:

Social security System followed in the Netherlands has two type of schemes. The first set are called the national Insurance Schemes which are applicable and compulsory to all people who live and work in Netherland. The other set is of Employee Insurance Schemes which are mandatory for every employee. So, the country has two separate agencies for implementation. National Insurance Schemes are implemented by an organization called Social Insurance bank or social Verzekerings bank (SVB) are there are four schemes under it *viz*.. Survivor Benefit, and Long Term Care which are governed under separate Acts. Survivor benefit is paid to people whose partner or ex-partner has died and orphans get Orphans benefit. Old Age Pension (AOW) is basic state pension given after attaining AOW Pension age which is linked to life expectancy (present AOW Pension Age is 67 year). The rate varies according to the number of year someone spends in the country and whether he/she stay alone or with another adult. Residents of the Netherland accrue 2% of their AOW every year for 50 years until reaching age. Long term care is provided to people who need special care on daily basis due to mental or physical limitations. Child benefit is a payment to help residents with the cost of caring for a child. Employee Insurance Schemes for employees are implemented through employee's Insurance agency (UWV). Under Sickness Benefit Scheme, the employer is obligated to pay 70% of the wage to employee for 104 weeks (2 years) in case of sickness causing inability to work. Disability benefits in Netherland are given based on the degree of disability, last earned income and age. Unemployment Insurance is also provided to the citizens against the financial consequences of Unemployment.

Conclusion :

Although detailed comparison of critical analysis of above schemes from above countries is beyond. The scope of this article and is left to the readers, a basic conclusion which can be drawn here is that Cannot be a single or few models with respect to Social Security across the globe.

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