

SOCIAL SECURITY: A COMPARATIVE STUDY BETWEEN INDIA, CHINA AND USA

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India's social security system is a composition of a various schemes and programs spread through a variety of laws and regulations and government-controlled social security system in India applies to only a small portion of the population.

This is generally accepted concept of the social security system includes not just an insurance payment of premiums into government funds (like in China), but also lump sum employer obligations.

Meaning

The term social security refers to programmes established by statute that ensure individuals against interruption or loss of earning power and for certain special expenditures arising from marriage, birth or death. This also includes allowances to families for support of children.¹

The Oxford Dictionary defines social security as money provided by the state for people with little or no income.

In the Black Laws Dictionary it is defined as “ A federal law, originally enacted in 1935 in response to the Great Depression, creating a system of benefits, including old-age and survivor benefits and establishing the Social Security Administration²”.

International Labour Organisation defines social security as “Security that society furnishes through appropriate organisations against certain risks to which its members are exposed.”

¹Social Security Programmes throughout the world : Asia and the Pacific , 2012.

²[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](https://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

Hence they are measures established by legislation to maintain individual or family income or to provide income when some or all sources of income are disrupted or terminated or when exceptionally heavy incomes in bringing up children or paying for health care has to be incurred. It may be provided in the form of cash benefits to persons facing disability and sickness, unemployment, crop failure, loss of the marital partner, maternity, responsibility for the care of young children or retirement from work.

It may be provided in kind as medical need, rehabilitation, and domestic help during illness at home, legal aid or funeral expenses. Some examples are –

- (i) Court order – to compensate accident victims
- (ii) By employers – using insurance companies
- (iii) By central or local government departments
- (iv) By semi-public or autonomous agencies.

Origin

Before the state assumed social responsibility for its citizens it was provided as poverty relief and protection against economic insecurity through a number of private institutions.

The origin of the concept could be traced back to US where Abraham Epstein used it in connection with his group American association for social security. The concept originally with the idea of retirement benefit to primary workers³.

Some countries such as the UK adopted “poor laws” for destitutes were unable to obtain assistance from their families only to humiliate the downtrodden through loss of civil rights and removal to poor houses leading to separation of husband and wife.

The industrial proved to be a major catalyst in formation of the concept of social security as under the capitalist system workers were stripped off their humanity as they remained unemployed for long time without any insurance against risk of work injuries, sickness or unemployment.

³[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

Hence the social security system emerged as an attempt to humanise the ravages inflicted by capitalist system.

A contributory system of unemployment insurance introduced in Britain in 1911 was confined initially to just three trades-engineering, shipbuilding, and building and construction. After World War I, the unemployment insurance system was significantly expanded to other workers. During the years between the wars, in which there was mass unemployment, a two-tiered system emerged:

- (i) unemployment benefits were available as of right for those with insurance
- (ii) means-tested social assistance for those without insurance.

A distinction was created between those claiming social security benefits as of right and those claiming because of need. This also tracked a pervasive public perception relating to the "deserving" versus the "undeserving" poor.

The development of social security systems in Britain and the United States (and other countries in this tradition) must be viewed against the backdrop of a political commitment to the market mechanism for resolving problems of unemployment and poverty coupled with a deep suspicion of state intervention in market dynamics for social purposes.

The social assistance systems developed in these countries were designed to provide a minimum of social security to the most needy. Entitlement to assistance depended on the applicant demonstrating sufficient neediness by passing a means test.

The aim of the Scandinavian countries was to reduce the inequalities and injustices produced by the capitalist system. It proceeded from the basis that all people have certain "social rights." The state is obliged to provide and protect these rights through providing universal access to certain basic social benefits.

The impetus for the expansion of social security in the United States came from the Great Depression in the 1930s and World War II. The Social Security Act of 1935 introduced programs to meet the risks of old age, death, disability and unemployment. The main emphasis of

the US social security system was to promote the security of workers through social insurance.⁴ However, the act also made provision for federal subsidies to support social assistance programs in the states.

Types

Three broad approaches are followed under income- maintenance programs-

- (i) Employment Related
- (ii) Universal
- (iii) Means Tested

Under both employment related and the universal approaches the insured dependents and survivors can claim the benefits as a matter of right. Under means tested approaches benefits are based on a comparison of a person's income or resources against a standard measure.⁵

COMPONENTS

Social security systems in many developed countries consist of a combination of two major programs:

- (i) Social insurance
- (ii) Social assistance.

Characteristics of social insurance programs

- They are financed by contributions.
- They generate "earned" benefits for workers and their families.
- They provide for various contingencies that interrupt or stop earnings (such as illness, old age, maternity and unemployment).

Characteristics of social assistance programs

- They are non-contributory and met from general revenues.

⁴ [LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](https://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

⁵ SSPTW: ASIA AND PACIFIC 2012.

- They are designed to supplement the incomes of particularly vulnerable groups (elderly and disabled). In some countries they provide a "safety net" for those who are not able to access social insurance benefits.
- The benefits and eligibility conditions vary from country to country. The benefits may be either in cash or in-kind in the form of food aid. The schemes include "income replacement schemes" or "cost compensation schemes" that provide complete or partial compensation for family care, health care, funeral costs, etc.

In developed countries social security schemes exist side by side with various private arrangements made by people to protect themselves against certain contingencies. These include private savings, private insurance and pension funds.⁶

SOCIAL SECURITY AS GUARANTEED BY DIFFERENT INSTRUMENTS –

(i) Universal Declaration of Human Rights (UNDHR)

- a) Art 22 guarantees right to social security
- b) Art 25 recognises the right of everyone to security in the event of unemployment, sickness, disability, widowhood, old age and other lack of livelihood in circumstances beyond his or her control⁷.

(ii) International Covenant on Economic, Social and Cultural Rights (ICESCR)

- a) Art 9 recognises the right of everyone to social security
- b) Art 10 (2) recognises the right of working mothers "to adequate social security benefits."
- c) Art 10 (3) requires states parties to undertake special measures of protection and assistance for children and young persons.
- d)

(iii) Convention on the elimination of all kinds of discrimination against women

- a) Art. 11(1)(e) obligates states parties to eliminate discrimination against women in the field of employment, and to ensure equal rights between men and women, in particular . . . the right to social security, particularly in cases of

⁶ Circle of rights : ESC rights activism a training resource.

retirement, unemployment, sickness, invalidity and old age and other incapacity to work, as well as the right to paid leave.

- b) Art. 11(2)(b) requires states parties to adopt appropriate measures to introduce social benefits during maternity leave⁸.
 - c) Art. 14(2) recognizes the duty of states parties to eliminate discrimination against women in rural areas, and, in particular, to ensure to such women . . . the right to benefit directly from social security programs
- (iv) Convention on the rights of the child
- a) Art. 26, recognizes for every child the right to benefit from social security, including social insurance.
 - b) In addition, Art. 27(1) recognizes the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development.
 - c) Under Art. 27(2) and (3), states parties must, in accordance with national conditions and within their means, take appropriate measures to assist parents to implement this right and shall in case of need provide material assistance and support programs, particularly with regard to nutrition, clothing and housing.
- (v) American declaration of rights and duties of a man.
- (a) Art. 16 recognizes the right of every person to social security "which will protect him from the consequences of unemployment, old age, and any
 - (b) Protocol to the American Convention on Human Rights in the Area disabilities arising from causes beyond his control and make it physically or mentally impossible for him to earn a living."
 - (c) Art. 9 of the Additional of Economic, Social and Cultural Rights
- (vi) International Labour Organisation.
- (a) Convention No. 102 on social security (minimum standards) recognises the following nine specific branches of social security –
 - Medical Care

⁸[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

- Sickness Benefits
- Unemployment Benefits
- Old-age Benefits
- Unemployment Injury Benefits
- Family Benefits
- Maternity Benefits
- Invalidity Benefits
- Survivors Benefits

Minimum requirements are stipulated as to the coverage of the population, the content level of benefits, the protection of rights of contributors and beneficiaries and matters of administration.

Other relevant ILO Conventions are:

- ✓ Maternity Protection Convention (Revised), 1952 (No. 103);
- ✓ Equality of Treatment (Social Security) Convention, 1962 (No. 118) (concerning equality of treatment of nationals and nonnationals);
- ✓ Employment Injury Benefits Convention, 1964 (No. 121);
- ✓ Invalidity, Old Age and Survivors' Benefits Convention, 1967 (No. 128);
- ✓ Medical Care and Sickness Benefits Convention, 1969 (No. 130);
- ✓ Maintenance of Social Security Rights Convention, 1982 (No. 157);
- ✓ Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)⁹.

SOCIAL SECURITY: INDIAN PERSPECTIVE

A comprehensive social security scheme must be designed in order to overcome the obstacle of want, disease, ignorance, squalor and idleness.

Also the schemes must –

⁹[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.ecovis.com/focus-china/overview-chinas-social-security-system/)
<http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 1,2016).

- (1) Guarantee income in case of involuntary loss of large or all part of income from work.
- (2) Be initiated by legislation that define obligation upon public or other organisation.
- (3) Be administered by public or private organisations.
- (4) Assure that benefit will be available when required and quantity will be adequate.

The need for social security is in the roots of poverty.

India is one unique example of non-institutional form of social security which form the backbone of the current social security system. Joint Family culture being an example in which needy and unfortunate ones are protected this include members suffering due to unemployment, economic difficulty, old age, widowhood etc.

Thus India has had its own social security system from the ancient ages in the form of –

- (a) Self-sufficient village economy
- (b) Caste system
- (c) Joint family
- (d) Organisation for charity ¹⁰

Pre – Independence Era

India can aptly be defined as a country where economic resources are less but needs are more. As discussed earlier the social security schemes were only restricted to the organised working classes hence here too we see that the labour laws which now are a part of the public law was originally a private law.

With the dawn of factory system in India in 1850 factories saw workers working in awful conditions¹¹. The timeline shows that changes had happened- in 1859 (Indian Merchant Shipping Act was passed); 1860 (Employees and workmen dispute Act); 1881(Indian Factory

¹⁰Mamuria and doshi , Labour problems and social welfare in India, KitabMahalpvt.Ltd. Allahbad (1966) pg. 339.

¹¹[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

Act); 1892 (Island Emigration Act); 1901 (India Mines Act); 1919 ILO established – aimed at welfare of workers globally; 1919 (Montague- Chelmsford reforms); 1923 (Workmen Compensation Act); 1925 (Provident Fund Act); 1929 Royal Commission on labour appointed; 1935 (Government of India Act); 1943 Standing Labour Committee.

Post-Independence Era

The timeline shows that changes had happened in -

- (i) 1947 - Interim Government – included welfare plan for labourers in 5 year plans
- (ii) 1947 - Industrial Disputes Act including Gratuity as legal right.
- (iii) 1948 - Employers State Insurance Act
- (iv) 1948 - Coal Mines Provident Fund and Bonus Scheme Act
- (v) 1948 - Employees State Insurance Act
- (vi) 1948 - Employees Provident Fund and Misc Act
- (vii) 1949 - Payment of Gratuity Act
- (viii) 1952 - Employees provident fund Act was passed
- (ix) 1954 - India adopted a socialistic pattern of society .
- (x) 1961- Maternity Benefit Act

Legal Framework

The Preamble declares that India would be a sovereign, socialist, secular democratic republic and secure to all its people's justice, liberty, equality and fraternity.

- (I) Concurrent List- Social Security and labour welfare falls under Concurrent list, it means both union and state Government can make laws regarding these topics.
 - a) (List III in the Seventh Schedule of the Constitution of India)
 - b) Item No. 23
 - c) Social Security and insurance,
 - d) Employment and unemployment.
 - e) Item No. 24
 - f) Welfare of Labour including conditions of work,
 - g) provident funds,

- h) employers' liability,
- i) workmen's compensation,
- j) Invalidity and old age pension and maternity benefits

(II) Part IV – DPSP

i. Article 38 (i)

Directs state to promote the welfare of people by securing and protecting as efficiently as it may a social order in which justice – social , economic and political shall inform all institutions of national life.

ii. Article 38 (ii)

The 44th amendment added clause (2) which directs the state to minimise the irregularities in income and to endeavour to eliminate inequalities in status, facilities and opportunities not only amongst individuals but also group of people residing in different vocations¹².

iii. Article 39

Lays down certain specific objectives clauses (a) , (b) and (c) particularly lay down the norms for an egalitarian operation of economic and social system of the country.

iv. Article 41

(a) Right to work, to education and to public assistance in certain cases

(b) State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

v. Article 42

(a) Provision for just and humane conditions of work and maternity relief

(b) State shall make provision for securing just and humane conditions of work and for maternity relief.

(III) Social Security Laws in India

(a) **Employees' State Insurance Act, 1948 (ESI Act).**¹³

¹²[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.lii.org/federal-law-collection/lii/legal-information-institute)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

¹³INTRODUCTION TO THE SOCIAL SECURITY SYSTEM IN INDIA <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 8,2016).

- (b) **Employees' Provident Funds Act, 1952.**¹⁴
- (c) **Workmen's Compensation Act, 1923 (WC Act).**¹⁵
- (d) **Maternity Benefit Act, 1961 (M.B. Act)**
- (e) **Payment of Gratuity Act, 1972 (P.G. Act).**¹⁶

Recognizing the need of providing social security to unorganised workers, irrespective of their informal or formal capacity, the Government has enacted the Unorganised Workers' Social Security Act 2008.¹⁷

The Act provides for constitution of **National Social Security Board** to recommend social security schemes viz. life and disability cover, health maternity benefits, old age protection and any other benefit as may be determined by the Government for unorganized workers.

The Government launched the **RashtriyaSwasthyaBimaYojana** for BPL families (a unit of five) in unorganized sector on 01.10.2007. The scheme providing **smart card based cashless health insurance cover of Rs. 30,000/-** per family per annum on a family floater basis, became operational from 01.04.2008. More than 2.51 crore families have been covered under the scheme as on 31.10.2011.

To provide death and disability cover to rural landless households between the age group of the 18 to 59 years, the Government launched the '**AamAdmiBimaYojana**' on 02.10.2007. More than 1.78 crore lives have been covered under the scheme as on 31.07.2011.¹⁸

Indira Gandhi National Old Age Pension Scheme provides for old age pension of Rs.200 per month to persons above the age of 60 years. For the persons above the age of 80 years the amount of pension has been raised to Rs.500 per month.¹⁹

¹⁴INTRODUCTION TO THE SOCIAL SECURITY SYSTEM IN INDIA <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 8,2016).

¹⁵INTRODUCTION TO THE SOCIAL SECURITY SYSTEM IN INDIA <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 8,2016).

¹⁶<http://mrunal.org/2012/07/economy-social-security-epfo.html#28>.

¹⁷[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

¹⁸INTRODUCTION TO THE SOCIAL SECURITY SYSTEM IN INDIA <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 8,2016).

¹⁹[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
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The Government is implementing various other employment generation/social security schemes for workers in the unorganised sector, such as

- Swarnjayanti Gram Swarojgar Yojana
- SwarnJayantiShahariRojgarYogana
- Prime Minister's Employment Generation Programme
- Mahatama Gandhi National Rural Employment Guarantee Act, 2005
- Handloom Weavers' comprehensive Welfare Schemes
- Handicraft Artisans' comprehensive Welfare Schemes
- Pension to Master craft persons
- National Scheme for Welfare of Fishermen and Training and Extension
- JananiSurkashaYojana
- National Family Benefits Scheme
- JanshreeBimaYojana New Pension Schemes (Swavalamban scheme) through various Ministries/Departments.²⁰

Why is India Lagging behind?

- ❖ We do not have an existing universal social security system
- ❖ 92% of the workforce is in the informal sector which is largely unrecorded
- ❖ today 1/8th of the world's older people live in India. The overwhelming majority of these depend on transfers from their children.
- ❖ Addressing social security concerns with particular reference to retirement income for worker
- ❖ In India the coverage gap i.e. workers who do not have access to any formal scheme for old-age income provisioning constitute about 92% of the estimated workforce of 400 million people.

CHINA'S SOCIAL SECURITY SYSTEM

China's social security controlled by the central government but its administration and specific details are governed by local authorities. For example, employer and employee contribution

²⁰<http://indiamicrofinance.com/list-social-security-schemes-workers-india.html>

rates and caps for each benefit vary according to local jurisdiction and are subject to annual changes and reforms.²¹

The contribution to China's social security system is mandatory for Chinese employees and their employers as well as foreigners employed in China, except for foreigners in Shanghai.²²

Employers and employees must pay monthly premiums into three of the funds (pensions, medical expenses, unemployment) while employers in addition are required to make contribution to the last two (maternity and work-related injuries).

Self-employed individuals, part-time employees who do not participate in the social security schemes through their employers, and unemployed individuals can participate in the pension and medical insurance schemes on merely a voluntary basis.²³

Types of insurances in China

1. Pension –Generally speaking, individuals need to make contributions for a minimum of 15 accumulative years before claiming pension. The retirement ages differ for certain industries but mostly lie at 55 years for men and 50 years for women (in the case of blue-collar work) or 60 years for men and 55 years for women (in case of white-collar work). The amount of retirement benefit depends on local regulations. The ages will likely change soon due to China's demographic problem.

When a foreigner leaves China prior to the stipulated age for receiving pension, his individual account will be retained. If the foreigner later re-enters China for further employment, the payment period will continue to be calculated on a cumulative basis. Upon written application by the foreigner, the social insurance agency can pay the foreigner the amount in his individual account in one lump sum and terminate the basic pension relationship. The precondition here is that the employee intends to leave China for good. Upon the foreigner's death, the amount remaining in the individual pension insurance account can be inherited.

²¹[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

²²OVERVIEW OF CHINA'S SOCIAL SECURITY SYSTEM INSTITUTE <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 10,2016).

²³OVERVIEW OF CHINA'S SOCIAL SECURITY SYSTEM INSTITUTE <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 10,2016).

2. Medical insurance-Both employers and employees are required to make monthly medical insurance contributions. The medical insurance fund will refund medical expenses to designated hospitals that carry out the treatment. Patients will no longer have to pay treatment fees upfront and wait for compensation later.
3. Unemployment insurance-Employers are required to contribute to the unemployment insurance fund. Regarding employees, only in certain local jurisdictions they are required to make additional monthly contributions. However, there are no unemployment benefits for foreigners, as a foreigner no longer working in China will not be permitted to continue living in China.²⁴
4. Work related injury insurance- Only employers are required to make monthly work-related injury insurance contributions. The required monthly amount may, in some jurisdictions, vary according to the respective industry. The insurance generally covers all work-related injuries and occupational illnesses.²⁵

The work-related injury insurance fund will cover the costs of the treatment. The employer will still be required to pay some salary to the individual, although it will be less than full salary. Even if the employer has not made the required contributions, the individual can still claim the treatment and have it paid for through the insurance fund. The fund administrator will then be required to follow up on the employer in order to receive full compensation.²⁶
5. Maternity insurance - Similar to the work-related injury insurance, only employers are required to make monthly maternity insurance contributions. The monthly payments from the insurance fund to women during their maternity leave will be based on the average salary of the women. That means a woman could receive more money during her maternity leave if she works at a company where other women receive a higher salary than her. To qualify for these benefits, the female employee's employer must already have made monthly fund contributions for three months and the relevant

²⁴[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

²⁵OVERVIEW OF CHINA'S SOCIAL SECURITY SYSTEM INSTITUTE <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 10,2016).

²⁶OVERVIEW OF CHINA'S SOCIAL SECURITY SYSTEM INSTITUTE <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 10,2016).

medical treatment must be in compliance with China's birth control policy. Under certain circumstance, male employees may also receive benefits.²⁷

America's Social Security System

Social security provides financial benefits available to virtually all workers in America from the U.S. Federal Government. Most workers in the United States rely upon Social Security benefits at some time in their lives. It may be when they retire and collect Social Security retirement benefits; it may be during their working lives if they become disabled and are unable to work (and collect Social Security disability benefits); or they may be eligible for Social Security survivors benefits upon the death of a worker.

Social Security is administered by the Social Security Administration (SSA). The three main programs that they administer are:

- Social security retirement benefits
- Social security Survivors benefits
- Social security Disability benefits

These three Social Security programs are all funded by payroll tax deductions--that means by every worker in America. Once you are in the Social Security system, you begin accumulating credits towards future Social Security benefits. Once you are eligible for Social Security benefits, you may apply to the Social Security Administration to receive them.

The various benefit schemes are:

1. **Social security Child's benefits** - These benefits are paid to a worker's biological child, adopted child or dependent stepchild. In some cases, the child also could be eligible for benefits based on his or her grandparents' or stepgrandparent's earnings.²⁸
2. **Social Security Disability Insurance Benefits** – This benefit is paid to people who have earned enough Social Security credits and are unable to work because of a disability that has lasted or will last for at least 12 months or end in death.

²⁷[Benefits.org/your path to governmentbenefitshttp://www.benefits.gov/benefits/browse-by-federal-agency/federal-agency/9](http://www.benefits.gov/benefits/browse-by-federal-agency/federal-agency/9) (last updated March. 1,2016).

²⁸[OVERVIEW OF USA's SOCIAL SECURITY SYSTEM INSTITUTE http://www.ecovis.com/focus-china/overview-chinas-social-security-system/](http://www.ecovis.com/focus-china/overview-chinas-social-security-system/) (last updated March. 10,2016).

3. **Social Security Disabled Surviving Divorced Spouse Benefits** – These benefits are paid to the disabled surviving divorced spouse of a worker who had earned enough Social Security credits. That must be 50 years but not yet age 60.²⁹
4. **Social security Divorced Spouse Benefits** – These are benefits paid to divorced spouses of workers who are receiving (or are eligible to receive) Social Security benefits. In order to qualify for this benefit program, a person must be at least 62 years old and not currently married.
5. **Social Security Independently Entitled Divorced Spouse's Benefits.**
6. **Social Security Lump Sum Death Payment** - A surviving spouse or child may receive a special lump-sum death payment. The lump-sum is paid to the surviving spouse who was living in the same household with the worker when he or she died.³⁰
7. **Social Security Medicare Program** - Medicare is a health insurance program for people who meet the following requirements: are age 65 or older, receive Social Security Disability benefits, or people with kidney failure may also qualify for Medicare.
8. **Social Security Parent's Insurance Benefits** - These are benefits paid to the dependent parent of a deceased worker who had earned enough Social Security credits.
9. **Social Security Special Benefits for Qualified WWII veterans** - Special benefits can be paid to certain World War II veterans.³¹
10. **Social Security Spouse's Insurance Benefits** - These are benefits paid to the spouse of a worker who receives Social Security Retirement or Disability benefits.

Conclusions/Suggestions

In India the lack of a wide social security net has serious implications for well-being of aged, poor people who are unable to meet their old age needs. India's workforce is largely based in unorganised sector where pension provisions are mainly of a voluntary nature. The size of this sector is a bottleneck in social security provision to the elderly poor in India.

²⁹[LII: FEDERAL LAW COLLECTION | LII / LEGAL INFORMATION INSTITUTE](http://www.law.cornell.edu/federal)
<https://www.law.cornell.edu/federal> (last updated March. 1,2016).

³⁰[OVERVIEW OF USA'S SOCIAL SECURITY SYSTEM](http://www.ecovis.com/focus-china/overview-chinas-social-security-system/) INSTITUTE <http://www.ecovis.com/focus-china/overview-chinas-social-security-system/> (last updated March. 10,2016).

³¹USA CITIZENS RIGHT INSTITUTE <http://www.newdelhi.usembassy.gov/service/other-citizen-services/social-security.html> (last updated March. 10,2016).

This paper examines selected components of the social security system in India and highlight the following

- India has a larger pool of young population than most of the countries - the existing population is very young and therefore in the working age group.
- Historically, the Indian policy makers have viewed the pension system as a welfare measure and therefore, it lacks in financial professionalism, diversification, and in the belief that pension funds can also be treated as an asset
- The Indian system is biased towards the organised formal sector as workers in this sector are benefitted with the provisions under various labor laws. Even then the pension provisions in India are far behind.
- In the unorganised sector, old age income remains mainly confined to voluntary savings. The New Pension System although makes the pension amount an old age asset, is silent on the social security provisions to the poor
- The average income earners are not able to replace their pre-retirement earnings with pensions compared to most of the countries

Although the Potential Support Ratio (PSR) is relatively high in India compared to the countries, such a demographic advantage also necessitates in having social security provision for the future. With further improvement in life expectancy, the share of old age population will increase and thus the potential support ratio may decline.