

Provisions of Social Security Scheme in Tea Plantations of Assam

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Introduction

The term Social Security has gained immense popularity in recent years. It originated in the United States of America in the year 1933¹ and has become popular all over the world. The importance of social security has been emphasised by different political leaders, social reformists in different ways. Today the philosophy of the concept is universally acknowledged as it has been accepted in principle that social security is the aim of all social welfare activities of all countries following different ideologies, different social and political structures and different economic policies. Ways adopted by various countries may be different, but the purpose is the same everywhere. The concept of 'social security' has united them all. Broadly speaking, the term 'Social Security' is usually applied to indicate 'specific government programmes designed primarily to prevent want by assuring to families the basic means of subsistence'.²

Social security as defined by the International Labour Organisation is the security that society furnishes, through appropriate organisations, against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. These risks are essentially economic risks in the sense that they either impair the earnings of the individual concerned or raise his expenditure beyond his normal means. Very often, as in the case of illness, or disablement, his income may be cut off or reduced on the one hand and his expenditure may increase, on the other. Social security measures aim at adjusting a person's income to his essential expenditure, both of which may fluctuate to cause a deficit in his family budget. Social security measures aim at providing income

security up to a certain minimum in order to make up the deficit so caused.³

Even though some sporadic efforts were made regarding social security for industrial workers during pre-independent period but these were not adequate. It was mainly after the attainment of freedom that India could take up the problem of social security at par with advanced countries of the world in a planned and coordinated manner. Within a year of attaining independence, India adopted the Employees' State Insurance Scheme. Provident Funds Schemes, Gratuity and retirement benefits are some other forms of social security provision which safeguard the interests of the factory workers today in our country.

In the present paper, a humble attempt has been made to observe the prevailing provisions of social security in the tea plantations of Assam and their utility and impact on the labour community. An effort also shall be made to observe some of the existing drawbacks in these provisions.

Data Base

The present paper has been prepared on the basis of secondary sources. Various books, journals, periodicals, statistical handbooks etc. were consulted for the preparation of the paper.

Prevailing Social Security Schemes

Assam is well known for tea production not only in India but all over the world. According to Tea Statistics 2001, there are 40,795 tea gardens covering an area of 2,68,983 hectares and produced 4,32,511 thousand kilogram of tea. 6,02,531 labourers are employed of which 4,77,900 are permanent and 1,24,631 are temporary.

The problem concerning social welfare of vast number of tea workers constituted one of the major considerations of the Assam government since independence. But the consideration could not assume any tangible shape for a few years after independence mainly due to economic crisis faced by the tea industry in particular and state in general. However, it was realised by our national leaders that tea workers living in the most wretched socio-economic conditions, needed the social security provisions the most, to protect them from socio-economic exploitation.

The Government of India introduced a Provident Fund Scheme under the Employees' Provident Fund Act, 1952, aiming at

compulsory savings in Provident Fund in respect of the entire working population in the organised sector in the whole country. But that scheme left the tea industry of Assam outside its purview on the hypothetical consideration that it was not practical to organise the vast number of tea workers in Assam.

The Assam government was, however, more pragmatic in its views and worked upon a similar scheme for the tea workers of Assam. It was due to the efforts of Omeo Kumar Das, the then Labour Minister of Assam who was instrumental in getting approval of the central leadership to the proposal of the Assam government. The government of Assam took up the proposal in 1954 and after a long expectation, the Assam Legislative Assembly passed the Assam Tea Plantations Provident Fund Scheme Act, 1955 (Assam Act X of 1955) and the same was introduced in the tea plantation with effect from 12th September 1955.

The Provident Fund Scheme (The Assam Tea Plantations Provident Fund Scheme) envisaged at the initial stage only compulsory savings in Provident Fund on contributory basis in respect of about four lakhs of active resident adult workers employed in over seven hundred tea estates in Assam, whose wages did not exceed Rs. 500 per month. Subsequently, the rules were modified to extend the benefits to child workers and the non-resident workers drawing wages up to Rs.1600 per month.

Introduction of this compulsory Provident Fund Scheme was the first major breakthrough in ameliorating the conditions of this downtrodden backward section of the society. The forced savings in the Provident Fund ensured at least a decent amount of cash to fall back upon during the lean days after retirement from active service and also to free them considerably from the clutches of the moneylenders who were so long exploiting these people taking advantage of their economic misery and social backwardness.

Among the plantation workers, the incidence of premature death was high due to poor and unhygienic living condition. Such premature death of the earning member left the bereaved family in utter destitution, exposing the helpless family to all forms of social evils, injustice and exploitations. To tackle this problem, a new Life Insurance Scheme through provident fund, was brought into operation in the year 1963 on an optional basis. The subscribers of Provident Fund could insure their lives against risks of death for the sums assured of Rs. 1000 and Rs. 500 and Rs. 250 in respect of the staff members, male labour and female labour member respectively. The uniqueness of the Life Insurance Scheme was that no medical checkup was necessary and the members had no responsibility about payment of insurance premium

to the Life Insurance Corporation of India. The Provident Fund authorities did everything to maintaining the policies and making payments to the beneficiaries in the settlement of claims.

Savings in Provident Fund through deductions from the wages earned during active service life, though ensured a lump sum cash for the future, was not enough to sustain the life on retirement from service in view of the fast fall of money value and increased socio-economic liabilities. Therefore, with a view to providing some direct relief to the workers, a Pension Scheme was brought into operation in the year 1967. According to this scheme, a member of the Provident Fund authority automatically becomes entitled to get pension benefits on retirement from service. The unique feature of Pension Scheme is that the beneficiaries are not burdened with any additional financial liabilities. The entire requirements are met by the Provident Fund authority. The quantum of pension benefit is directly linked with the period of membership and the amount deposited in Provident Fund on the day of retirement from service.

As has been stated earlier, incidence of death during service is high among the tea workers due to ill health, poor and unhygienic living conditions, occupational hazards, etc. In such an eventuality the family of the deceased worker is faced with economic and social ruin. With a view to improving the sad condition of such bereaved families, the already operative Pension Scheme was modified in 1972 and introduced family pension to such bereaved families. According to provisions of the Scheme, when a member of the Provident Fund dies in service, the family of the deceased is paid a lump sum grant of Rs. 1000 and monthly family pension for life amounting to Rs. 40. Of late this monthly family pension benefit has been raised to Rs. 60.

There again, the beneficiaries are not required to make any additional contribution for the Pension-cum-Family Pension benefit. The requirements of Family Pension Fund are met by the Government of India and the Provident Fund Authority.

The Provident Fund Scheme made a further stride towards extension of social security provision. In 1984, two more new schemes were introduced. The major one is the Deposit-Linked Insurance Scheme. Unlike the existing Life Insurance Scheme introduced in 1963, this Deposit-Linked Insurance automatically covers the total membership of Provident Fund, now numbering about 4.5 lakhs.

If a member of Provident Fund dies in service, the family of the deceased will get insurance benefits equivalent to the amount

deposited in the Provident Fund, subject to the maximum of Rs.10,000 in the Provident Fund as on the day of his death.

The benefit of this Deposit-Link Insurance Scheme is in addition to the benefits of Provident Fund, Life Insurance and Pension. Here again, the beneficiaries are not required to make any additional contributions. The Fund is managed by the contributions made by the Government of India and the employers of the tea plantations.

The other new scheme made operative in 1984 is the Invalid Pension Scheme. If a member of Provident Fund becomes invalid and incapacitated during the period of service due to reasons connected with occupation, the invalid member is paid a monthly Invalid Pension of Rs. 60.

The Provident Fund Scheme offers a few fringe benefits to the subscribers in the shape of refundable and non-refundable advances from Provident Fund deposits. Refundable advances are admissible for marriage or death ceremony in a member's family. Non-refundable advances are admissible for the purpose of house-building, purchase of shares of Co-operative Society, payment of premium of Life Insurance and also in case of economic hardship due to some specified reasons.

The extent and magnitude of the social security benefits under the Provident Fund and Pension Fund Scheme, since 12th September 1955 can very well be judged from the summary transactions indicated below (the figures available as on 31-03-2002).

District wise Membership of Assam Tea Plantation Provident Fund

<i>Districts (Undivided)</i>	<i>Permanent Member</i>	<i>Temporary Member</i>	<i>Permanent Member</i>	<i>Temporary Member</i>
	As on 31-03-2001	As on 31-03-2001	As on 31-03-2002	As on 31-03-2002
Lakhimpur	9,492	6,341	9,607	4,341
Dibrugarh & Tinsukia	164,045	125,880	66,199	136,966
Sibsagar, Golaghat, Jorhat & Karbianglong	146,634	76,510	143,822	74,329
Darrang	83,173	76,611	86,379	73,697
Nagaon	4,824	13,140	14,760	13,478
Kamrup	7,200	1,478	5,421	1,329
Goalpara	6,119	3,787	6,322	1,495
Cachar	52,507	9,119	50,043	13,764
Total	483,994	312,866	482,553	319,399

Source: Annual Report of ATPPF & PF Scheme 2001-2002

Collection and Payment under ATPPF & PF Scheme from
Different Tea Plantations of Assam (Rs)

<i>Year</i>	<i>Gross Provident Fund Collection</i>	<i>Payment of Pension and Family Pension Claims</i>	<i>Payment of Deposit Link Insurance Claims</i>
1955-1984	1755,523,360	-	-
1968-1984	-	139912858	-
1984-1985	175,227,562	25853796	27,828
1985-1986	182,574,080	37914445	3,683,632
1986-1987	187,052,404	35164530	3,150,724
1987-1988	197,780,898	45593226	7,006,198
1988-1989	233,602,070	58808771	9,766,701
1989-1990	340,043,319	22469155	6,318,459
1990-1991	390,122,142	80030487	12,521,086
1991-1992	450,016,485	82250679	11,676,852
1992-1993	464,001,007	88901154	9,581,335
1993-1994	495,199,898	99310584	15,270,436
1994-1995	520,000,000	116793356	12,005,973
1995-1996	760,000,000	134065211	13,422,673
1996-1997	900,000,000	147727245	17,629,526
1997-1998	980,000,000	128744729	11,925,358
1998-1999	1,010,000,000	220894533	16,616,694
1999-2000	1,248,000,000	226234204.41	15,320,605
2000-2001	1,440,000,000	247000569.82	18,406,298
2001-2002	1,584,000,000	240637913.33	15,777,608
Total	13,313,143,225	2,178,307,446.56	200,107,986

Source: Annual Report of ATPPF & PF Scheme 2001-2002

In short, a total sum of over Rs. 237.8 crore has been disbursed in the final settlement of claims on closure of accounts in 2002 under different schemes to the tea workers in Assam as social security benefits since 1955. This is in addition to other fringe benefits as advances for the Fund.

Some Observations

The existing social security benefits have no doubt given the momentum for upliftment but these are surely not enough to completely eradicate the discrimination and exploitation of the tea workers who have been suffering since the setting up of the industry during the last century. It is observed that due to illiteracy and ignorance plantation labourers often misuse the fringe benefit which

is available from their Provident Fund. Therefore, it is of extreme importance to educate the beneficiaries about the basic purpose of the programme so that they, in their ignorance, may not mishandle the fringe benefits for immediate minor gains, and thus sustain major loss in terms of ultimate benefits. Unless the beneficiaries are made conscious of this aspect, the purpose of social security programme is likely to be frustrated. Even though these provisions have remarkable contribution and achievements in improving the socio-economic condition of plantation labourers the social security provisions suffer from certain deficiencies in the organisational set up and legislative aspects, here an effort is made to highlight some of them.

There are different acts and rules governing the social security provision in the tea plantation of Assam. Some prominent legislation concerning social security are The Assam Tea Plantation Provident Fund Scheme 1959 as mentioned earlier, The Payment of Gratuity Act 1972, The Maternity Benefit Act 1961 etc. The working of these Act and rules are supervised by the department of Labour and employment and the Board of Trustees of Assam Tea Plantation Pension and Provident Fund Scheme. It has been observed that in case of an unforeseen incidence or after the retirement of an employee, he has to run from pillar to post to get his rightfully deserving amount released. Moreover, it has been observed that these organisations are considerably weak and inefficient in their functioning.

Apart from the complicacies in the system, the corruption among the supervising official is another important drawback of the social security scheme. The illiterate and uneducated plantation labourer has to depend on the sincerity and honesty of the official. There are instances where the officials get involved in manipulation and malpractices and deprive the labour from his honest dues.

In the contemporary time, considerable changes have taken place in the situation of the tea plantations. The problems faced by the plantation labours during pre-independent or early independent period were considerably different from the contemporary problems. Along with the emergence of new concepts like Privatisation, Liberalisation and Globalisation, new challenges have been posed before the plantation. The profitability of many tea plantations has reduced greatly and a large number of sick tea plantations have come into existence. Many of these sick plantations even fail to pay regular wages to their labourers. In such a situation, the social security

provision apart, the labour faces an uncertain and unpredictable future.

Another significant development in the present time is the growth of small tea growers in the state. There are currently more than 38,000 small tea growers in the state. They employ not less than 5,00,000 labourers. Almost all these labourers are temporary and they do not enjoy any benefit provided by the plantation labour act. Therefore, the social security provision formulated by the governments also has no impact on them.

Therefore, the shortcomings that are there in the existing programme have got to be eliminated so as to make the benefits seemingly meaningful. To do so, many legislative actions are considered necessary to plug the loopholes in the existing rules and to bring in new rules wherever necessary.

CONCLUSION

The idea of social security provision formulated by our national leaders during the early independent period was a landmark in the labour history of our country. But along with the time, considerable changes have taken place in the labour situation not only in the state of Assam but all over. Considering these changing scenario in the labour situation it is essential to revise and renew the prevailing acts and rules. Then only these legislations will prove to be useful and reliable. Before concluding, it is also considered necessary to mention that our country shall not be able to achieve true sense of development unless and until these downtrodden deprived section of our society is uplifted and developed. Therefore, the social security programme has got to be made truly comprehensive, integrated and all-pervasive to encompass within its fold the entire society, to achieve the ultimate objective.

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NOTES

1. P.C. Srivastava, *Social Security in India* , p. 14
2. N.A. Sharma, *Social Security*, p. 1
3. Srivastava, *Op. cit.* , p.15