



ILO. TRIPARTITE SEMINAR ON SOCIAL SECURITY
AND NATIONAL DEVELOPMENT

(Dacca 20-22 December 1976)

INTERNATIONAL LABOUR OFFICE, (ILO)

Jointly sponsored by the Ministry of Health, Labour and Social Welfare
(Labour and Social Welfare Division) Government of the People's
Republic of Bangladesh and the International Labour Organisation, (ILO)

PRINTED BY :—Alam Printing Press, 21 Mirpur Road, Dacca—5 Phone : 312573



41401

First Published 1978

This Report of the Tripartite National Seminar on Social Security and National Development has been prepared by the ILO Office in Dacca, Bangladesh with the technical support from the ILO Regional Office, Bangkok, as a record of the discussions as well as the Working papers and other background documents presented at the Seminar.

The main conclusions and findings are as adopted by the Seminar and their publication does not necessarily constitute an endorsement by the ILO.

Copies of the Report may be obtained from the ILO Office in Bangladesh at House No 514 Dhanmondi R-A, Road No. 10. Dacca. or from P. O. Box 2061.

P R E F A C E

The Government of the people's Republic of Bangladesh in close cooperation with the International Labour Organisation have been considering actively the need for holding a Tripartite National Seminar on Social Security in the context of development; the objective being to provide an opportunity for top national planners and social security administrators to examine in depth the major problems and policies of social security development in the context of national development goals. The Government also felt the need to strengthen the capacity of employers and workers organisations to engage in planning exercises at the national levels for the identification of policies and priorities in the social security field.

Accordingly the 3-day tripartite national seminar on Social Security and National Development was organised at Dacca by ILO office Dacca & Government with technical support from ILO Regional Department in Bangkok during December 1976 in which the participants had put forward their views on the subject and discussed in details the implication of the present measures prevailing in the country and also examined the need for further expansion of the social security measures. In a nutshell the discussions laid stress on the following subjects :

(a) concepts of social security, (b) trends and problems of social security in countries in Asia, (c) social security in Bangladesh, (d) social security and the national economy, (e) the national planning mechanism and the formulation of sectoral development plans for social security.

The most encouraging feature of the Seminar was the very active participation of organisations of employers, workers associations, Research Institutions besides representative departments responsible for social security and national development.

The Seminar substantially contributed towards the understanding by all parties concerned of major policies and issues in social security in the context of national development and we hope that the recommendations made will enable the national authorities to take policy decisions and identify the possible areas for future assistance relating to social security development in the country.

M. Mesbahuddin,
Secretary,
Ministry of Labour & Social Welfare
Govt. of the People's Republic of Bangladesh
Dacca.

D. Christov,
Director, ILO Office
Dacca.

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CHAPTER—I

Organisation and Development of the Seminar

Organisation and Development of the Seminar

(I) BACKGROUND AND OBJECTIVES:

A. Background :

The Government of Bangladesh has been in the process of evolving policies for the development of social security programmes in the country. The existing social security measures in the country provide protection only to a small proportion of the population largely located in the industrial and urban centres. Besides, even these measures generally fall far short of adequate standards of social protection. Large groups of economically active persons especially in the rural areas are outside the scope of even the limited cover provided by organised schemes of social security.

The International Labour Organisation had been called upon in the past to advise on the development of social security in the country. In order to assist the Government of Bangladesh in establishing short and long-term objectives as well as priorities in the social security field, it was considered most desirable to hold a national seminar on social security and national development, to elucidate the social, economic, financial, developmental, and other issues involved since the expansion of the increasingly important social security sector depends, to an appreciable extent, upon a wider understanding of its role and significance in national development.

B. Long-range objective :

The long-range objective of the project was to promote the development of social security in Bangladesh through a wider understanding of its role in the development process and the importance of integrating social security in national development plans.

C. Immediate objectives :

The immediate objectives of the seminar were :

- (a) to provide an opportunity for top national planners and social security administrators to examine in depth the major problems of, and policies for, social security development in the context of national development goals :
- (b) to promote a greater understanding by social security administrators and development planners of principal issues, strategies and mechanisms in each other's field and

- (c) to strengthen the capacity of employer's and workers organisations to engage in planning exercises at the national level for the identification of priorities in the social security field.

(II) THE THEMES OF THE SEMINAR :

Taking into account the objectives of the seminar, the following themes were selected for discussion :

- I. "Introduction on concepts, methods and programmes of social security with particular reference to ILO's role and activities in promotion of social security in developing countries of Asia."
- II "Trends and problems of social security in developing countries in Asia."
- III. "Social security in Bangladesh-growth, trends and problems."
- IV. "Social security and the national economy of Bangladesh."
- V. "Social security and the national economy with special reference to problems of rural development in Bangladesh."
- VI. "National planning mechanism and the formulation of sectoral development plans for social security in Bangladesh."

Basic technical documents corresponding to these themes were prepared and presented by specially assigned resource persons. As part of theme No. III, a paper on "existing social security systems in plantations and Government was prepared and presented in a separate session of the seminar.

(III) PARTICIPATION

The seminar was participated, among others, by 28 Government officials representing the various Ministries and Departments of the Government of Bangladesh. These officials were chosen for their experience, knowledge and interest in the field of social security and national development and

their potential contributions in the planning and implementation of social security programmes in the country. The Government participants also included heads of existing social security institutions including the Bangladesh Plantation Employees Provident Fund.

There were 8 participants from the various employers' organisations in Bangladesh while 8 representatives of workers' organisations in the country also took active part in the seminar.

Representatives of national institutions like the Institute of Development Studies, the Mymensingh Agricultural University, the Management Development Centre, the Institute of Social Welfare & Research, and the National Institute of Public Administration also participated in the seminar.

A representative of the WHO also took part in the deliberations.

(IV) ORGANISATION OF THE SEMINAR

Dr. T. I. Mathew, Senior Social Security Officer and Mr. K. Thompson, Regional Adviser on Social Security, both of the ILO Regional Office, Bangkok, functioned as technical advisers of the seminar. They presented two basic technical documents to the working sessions of the seminar and also participated in the discussions in all sessions, along with the national participants. Mr. M. Ashraf Ali, Labour Adviser, Ministry of Labour and Social Welfare, assumed responsibility as the National Director of the seminar.

The basic documents corresponding to the relevant themes were presented by the respective authors/resource persons at individual working sessions of the seminar which was held as a committee as a whole. Each session had a specially chosen chairman to preside and to moderate the discussions while reporters were also assigned to record the summary of conclusions and recommendations arising out of the discussions.

The Ministry of Health, Labour and Social Welfare, Government of the People's Republic of Bangladesh acted as the host organisation from Bangladesh. An Organising Committee with Mr. A. M. Mesbahuddin, Secretary Ministry of Labour and Social Welfare as Chairman and Mr. Ruhul Amin Majumder, Joint Secretary of the same Ministry as

Vice-Chairman assumed responsibility for the organisational aspects of the seminar. The Organising Committee had also representatives of employers' and workers' organisations as members.

(V) INAUGURAL CEREMONY

The chairman of the Organising Committee of the seminar, Mr. A. M. Mesbahuddin, Secretary, Ministry of Health, Labour and Social Welfare welcomed the participants to the seminar and expressed his gratitude to the president of the inaugural session Col. (Rtd.) M. M. Haque, Member, Council of Advisers to the President, in charge of the Ministry of Health, Labour and Social Welfare and the Chief Guest Mr. M. Akber Kabir, Member, Council of Advisers to the President, in charge of the Ministry of Information and Broadcasting, for their agreeing to grace the occasion by their presence and learned talks. Emphasising the importance of social security to the working population of Bangladesh, Mr. Mesbahuddin urged the participants to deliberate seriously as to how best the country could pool its resources to organise social security in the form of insurance, etc. as it existed in some of the Welfare States. He also urged the seminar to take into account the social security measures that already existed in the country covering different sectors and to suggest additional social security measures which could be adopted, keeping in view the country's available resources and their future possible growth.

In his inaugural address, the Hon'ble Member of the Council of Advisers to the President, in charge of the Ministry of Information and Broadcasting, Mr. Akber Kabir congratulated the ILO for sponsoring the seminar in Bangladesh. Elaborating the relevance of social security to the national economy, he felt that far from being a burden, social security was a wise investment which yields good dividends in the long run. He felt that social security measures constituted a very important factor to get to the goals of a Welfare State by way of improving living and working conditions and providing people with protection against the uncertainty of the future.

In his message, Mr. H. Karasaki, Regional Director, ILO Regional Office for Asia, Bangkok, hoped that the discussions in the seminar would lead to a better understanding of the problems and issues in both social security and national development in Bangladesh and that appropriate social security programmes would take shape in the country.

In his address, Mr. Bernard Zagorin, Resident Representative, United Nations Development Programme in Bangladesh hoped that the seminar will contribute to focus on the development of a better social security system in the country which was beginning to enter a phase of economic development aimed at enlarging the income of the people and having it shared widely among the population.

Mr. D. Christov, Director of the ILO Office in Dacca, in his address, hoped that the seminar will substantially contribute towards the understanding by all parties concerned of the major policies and issues in social security in the context of national development and that it would enable the national authorities to take policy decisions relating to social security development in the country.

Delivering his presidential address, Col. (Rtd.) M. M. Haque, Member, Council of Advisers to the President, in charge of the Ministry of Health, Labour and Social Welfare expressed the hope that the seminar, with the participation of employers and workers representatives and others would be able to find the ways and means of improving the social security measures in the context of the country's national development policies. He also expressed the hope that this might act as an incentive to workers in Bangladesh in increasing their efficiency leading to higher productivity and overall economic progress. He urged the participants to deliberate freely on the issues and to come up with appropriate and workable recommendations in the backround of the country's social and economic conditions.

On behalf of the Ministry of Health, Labour and Social Welfare and on behalf of the Organising Committee, Mr. M. Ashraf Ali, extended his gratitude to all for gracing the seminar with their presence. He particularly thanked the Director-General, Civil Servants Training Academy, who had kindly agreed to provide the use of the premises of the Academy for the seminar.

(VI) WORKING SESSIONS

The seminar held 8 working sessions. The basic technical documents as well as position papers presented at the seminar by the participants, are given in Chapter II of this Report. The conclusions and recommen-

nations which emerged from the discussions in the working sessions including the eight and concluding session of the Seminar are reproduced in Chapter III of this Report.

(VII) ACKNOWLEDGEMENTS

The ILO Office in Bangladesh acknowledges with gratitude the positive interest and cooperation of all who contributed to the total success of this seminar.

(VIII) LIST OF PARTICIPANTS
NATIONAL SEMINAR ON SOCIAL SECURITY
AND NATIONAL DEVELOPMENT
CIVIL SERVANTS TRAINING ACADEMY
NILKHET, DACCA.

(20-22 December 1976)

A. Government Participants :

1. Mr.M. Khorshed Alam, Secretary, Local Government, Rural Development & Cooperatives Division.
2. Mr. Ruhul Amin Mazumdar, Joint Secretary, Ministry of Labour and Social Welfare.
3. Mr.A.M.A.H. Siddiqui, Director General, Bureau of Manpower Employment and Training.
4. Mr.M.A. Malek, Joint Secretary, Ministry of Finance.
5. Mr.A.T.M. Ahsanullah, Deputy Secretary, Establishment Division.
6. Mr.M.A. Halim Choudhury, Deputy Secretary, (TAP) Planning Division.
7. Dr. Mizanur Rahman Shelly, Director, Department of Social Welfare.
8. Mr. K.Z. Islam, Finance Director, Nationalised Industries Division.
9. Mr. M. M. R. Choudhary, Chief Manpower, Planning Division.
10. Mr. A. K. M. Siddiqui, Controller, Bangladesh Plantation Employeres Provident Fund.
11. Mr. M. A. Haye, Director of Labour.
12. Mr. D. A. F. Choudhury, Principal, Industrial Training Institute, Tongi.
13. Mr. Abul Hossain, Economic Adviser, Ministry of Finance.
14. Mr. S. M. A. Hafiz, Chief Inspector, Factories & Establishment.
15. Mr. M. S. Alam Mia, General Manager, Nationalised Industries Division.
16. Mr. R. A. Choudhury, Labour Adviser, Nationalised Industries Division.
17. Mr. M. Ashraf Ali, Labour Adviser, Ministry of Labour and Social Welfare.

18. Mr. A. K. M. Nurul Islam, Additional Director, Department of Labour.
19. Mr. Nurul Haq Miah, Chief Agricultural Economist, Ministry of Agriculture.
20. Dr. Lutfunnessa, Asstt. Director, Directorate of Health Science.
21. Mr. S. M. R. Qazi, Deputy Chief Inspector of Factories and Establishments.
22. Mr. A. Q. M. Huq, Deputy Chief Inspector of Factories and Establishment, Chittagong.
23. Mr. N. A. Choudhury, Deputy Chief Inspector of Factories and establishment, Chittagong.
24. Mr. M. A. S. Talukder, Deputy Chief Inspector of Factories and Establishment, Dacca.
25. Mr. A. B. M. Wajiullah, Deputy Chief Inspector of Factories and Establishment, Rajshahi
26. Mr. M. H. Aminuddin, Deputy Chief Inspector of Factories & Establishments, Khulna.
27. Mr. M. H. Choudhury, Research Officer, Ministry of Labour & Social Welfare.
28. Mr. S. M. Moazzem Hossain, Research officer, Ministry of Labour & Social Welfare.

B. Employers' Participant:

1. Mr. K. M. Nasirul Haque, Member, Bangladesh Employers' Association.
2. Mr. Ali Imam, Labour Adviser, Bangladesh Employers' Association.
3. Mr. S. M. Saadullah, M/S Karnaphully Ltd.
4. Mr. S. A. Hoque, Personnel Manager, Phillips Ltd.
5. Mr. M. A. Mohammed, Director, Power Development Board.
6. Mr. M. S. Islam, Chief Personnel Officer, B. S. E. C.
7. Mr. M. L. Rahman, Water Development Board.
8. Lt. Col. (Rtd.) A. F. M. Raquib Employers' Association.

C. Workers' Participants:

1. Mr. M. Mohsin, Trade Unionist, Chittagong.
2. Mr. S. A. Haleem. General Secretary, Bangladesh Majdoor Federation.

3. Mr. M. Haider Akbar Khan, Workers Representative.
4. Mr. Mahboob Ali, General Secretary, Railway Employees' League.
5. Mr. A. R. Sonamat, Workers' Representative.
6. Mr. Anisuddin Khan, General Secretary, Grindlays Bank Employees' Federation.
7. Mr. M. Bhuiyan, Workers' Representative.
8. Mr. M. A. Muttalib, G. S. Bangladesh Sramik Federation.

D. Participants from other Institutions :

1. Mr. A. M. Moazzem Hussain, Mymensingh Agricultural University.
2. Mr. A. K. Ahmedullah, Director, Institute of Social Welfare & Research, Dacca University, Dacca.
3. Dr. M. R. Khan, Research Demographer, Bangladesh Institute of Development Studies.
4. Mr. M. Safiur Rahman, Instructor, NIPA, Dacca.
5. Mr. Serajul Islam, Director, Management Development Centre.
6. Mr. M. Abdul Matin, Management Counsellor, Bangladesh Management Development Centre.
7. Mrs. Ayesha Noman, Associate Professor, Institute of Social Welfare & Research, Dacca University, Dacca.

E. Participants from the ILO :

1. Mr. D. Christov, Director, ILO Office, Dacca.
2. Dr. T. I. Mathew, Senior Social Security Officer, ILO Regional Office for Asia, Bangkok.
3. Mr. K. Thompson, Regional Adviser on Social Security, ILO Regional Office for Asia, Bangkok.
4. Mr. Qazi Jahangir Alam, Research Officer, ILO Office, Dacca.

F. Participant from the WHO :

Dr. El-Attal, WHO Consultant in Occupational Health, Dacca.

G. Other Participants

Mr. M. A. Islam, Labour Inspector, Dacca.

**NATIONAL SEMINAR ON SOCIAL SECURITY AND
NATIONAL DEVELOPMENT
Dacca**

(20-22 December 1976)

(IX) DETAILED PROGRAMME

19 December 1976—Sunday :

14·00—16·00 Registration of Participants at the Civil Servants' Training Academy, NIPA Building, University Campus Nilkhet, Dacca.

20 December 1976—Monday :

09·00—09·30 Registration of Participants at the Civil Servants' Training Academy, NIPA Building, University Campus, Nilkhet, Dacca.

09·30—11·00 **Inaugural Session :**

1. Address of Welcome : Mr. A. M. Mesbahuddin,
Secretary, Ministry of Labour
and Social Welfare,
2. Inaugural Address by : Mr. M. Akbar Kabir, Member,
the Chief Guest Council of Advisers to the
President, in charge of the
Ministry of Information and
Broadcasting.
3. Message of Mr. H. : Read by Dr. T. I. Mathew
Karasaki, ILO Regio- : ILO Senior Social Security
nal Director for Asia Officer, Bangkok.
4. Address by UNDP : Mr. Bernard Zagorin, Resident
Representative, UNDP, Dacca.
5. Address by ILO : Mr. D. Christov, Director of
ILO Dacca.

6. Presidential Address : Col. (Rtd.) M. M. Huque,
: Member, Council of Advisers
to the President, in charge of
the Ministry of Health, Labour
and Social Welfare.

7. Vote of Thanks : Mr. M. Ashraf Ali, Labour
Adviser, Ministry of Labour
and Social Welfare.

11.00—11.30 Refreshments

11.30—13.30 FIRST SESSION OF THE SEMINAR :

Theme : "Introduction on Concepts, Methods and Programmes of Social Security with particular reference to ILO's role and activities in promotion of social security in developing countries of Asia".

Chairman : Dr. Abdullah Farouk, Member, Planning Commission.

Rapporteur : Mr. M. A. S. Talukdar, Deputy Chief Inspector of Factories and Establishments.

(i) **Paper on the theme :** Dr. T. I. Mathew, ILO
Senior Social Security
Officer, Bangkok.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

13.30—14.30 L u n c h

14.30—16.30 SECOND SESSION OF THE SEMINAR :

Theme : "Trends and problems of Social Security in Developing Countries in Asia".

Chairman : Mr. Ruhul Amin Majumder, Joint Secretary, Ministry of Labour and Social Welfare.

Rapporteur : Mr. A. B. M. Wajih Ullah, Deputy Chief Inspector of Factories and Establishments, Rajshahi Division.

(i) **Paper on the theme :** Mr. K. Thompson, ILO Regional Adviser on Social Security.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

21 December 1976—Tuesday :

09.00—11.00 THIRD SESSION OF THE SEMINAR :

Theme : "Social Security in Bangladesh-growth, trends and problems."

Chairman : Prof. A. K. Ahmadullah, Director, Institute of Social Welfare & Research.

Rapporteur : Mr. N. A. Choudhury, Deputy Chief Inspector of Factories and Establishments.

(i) **Paper on the theme :** Mr. S. M. Hafiz, Chief Inspector of Factories and Establishments.

2. Mr. Shah Abdul Haleem, General Secretary, Bangladesh Majdoor Federation.

3. Mr. K. M. N. Haque, Personnel Director, Bangladesh Tobacco Company Limited.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

11.00—11.30 Refreshments.

11.30—13.30 **FOURTH SESSION OF THE SEMINAR :**

Theme : “Existing Social Security System in Plantations and Government”

Chairman : Mr. A. M. Mesbahuddin, Secretary, Ministry of Labour and Social Welfare.

Rapporteur : Mr. M. Ameenuddin, Deputy Chief Inspector of Factories and Establishments.

- (i) **Paper on the theme :** 1. Mr. A. T. M. Ahsanullah, Deputy Secretary, Establishment Division.
2. Mr. M. K. A. Siddiqui, Controller, Bangladesh Plantation Employees Provident Fund, Dacca.

(ii) Discussion on the paper

(iii) Adoption of provisional recommendations

13.30—14.30 **L u n c h**

14.30—16.30 **FIFTH SESSION OF THE SEMINAR :**

Theme : “Social Security and the National Economy of Bangladesh”.

Chairman : Mr. A. M. A. H. Siddiqui, Director-General, Bureau of Manpower, Employment and Training.

Rapporteur : Mr. S. M. Moazzem Hossain, Research Officer, Ministry of Labour and Social Welfare.

- (i) **Paper on the theme :** 1. Mr. M. H. Choudhury, Research Officer, Ministry of Labour & Social Welfare.
2. Mr. Anisuddin Khan, Workers' Representative.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

22 December 1976—Wednesday :

09.00—11.00. SIXTH SESSION OF THE SEMINAR :

Theme : "Social Security and the National Economy with Special reference to problems of rural development in Bangladesh."

Chairman : Mr. Serajul Islam, Director, Management Development Centre, Dacca

Rapporteur : Mr. M. H. Choudhury, Research officer, Ministry of Labour and Social Welfare.

(i) **Paper on the theme :** 1 Mr. Safiur Rahman, Instructor NIPA, Dacca.

2. Mr. Nurul Haque Mian, Chief Agricultural Economist, Ministry of Agriculture.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

11.00—11.30 Refreshments

11.30—13.30 SEVENTH SESSION OF THE SEMINAR :

Theme . "National Planning Mechanism and the formulation of sectoral development plans for social security in Bangladesh."

Chairman : Dr. Sheikh Maqsud Ali, Director-General, Civil Servants' Training Academy.

Rapporteur : Mr. D. A. F. Chowdhury, Principal IRI,
Tongi.

(i) **Paper on the theme :** Mr. M. Ashraf Ali, Labour
Adviser, Ministry of Labour
& Social Welfare.

(ii) Discussion on the paper.

(iii) Adoption of provisional recommendations.

13.30—14.30

L u n c h

14.30—16.30

**EIGHTH AND CONCLUDING SESSION OF
THE SEMINAR :**

Chairman : Mr. M. Mokammel Haque, Director-General
Export Promotion Bureau, Ministry of Commerce.

Rapporteur : Mr. Anisuddin Khan, General Secretary, Grind-
lays Bank Employees Federation of Bangladesh.

(i) Presentation of provisional recommendations by the
Rapporteurs of various sessions.

(ii) Adoption of final recommendations and remarks by the
Chairman of the Concluding Session.

(iii) **Vote of Thanks :** Mr. M. H. Choudhury, Research
Officer, Ministry of Labour and
Social Welfare.

(X) ORGANISING COMMITTEE
FOR THE
NATIONAL SEMINAR ON SOCIAL SECURITY AND
NATIONAL DEVELOPMENT
DACCA

(20—22 December 1976)

1. **Chairman :** Mr. A. M. Mesbahuddin, Secretary Ministry of Labour and Social Welfare.
2. **Vice-Chairman :** Mr. Ruhul Amin Majumder, Joint Secretary, Ministry of Labour and Social Welfare.
3. **ILO Representative :** Mr. D. Christov, Director of ILO in Bangladesh.

- Technical Advisers :**
1. Dr. T. I. Mathew, Senior Social Security Officer, Regional Office for Asia, Bangkok.
 2. Mr. K. Thompson, Regional Adviser in Social Security, Regional Office for Asia, Bangkok.

4. **National Director :** Mr. M. Ashraf Ali, Labour Adviser, Ministry of Labour and Social Welfare.
5. **Member-Secretary :** Mr. M. H. Choudhury, Research Officer, Ministry of Labour and Social Welfare.
6. **Resource Person :** Mr. S. M. Hafiz, Chief Inspector of Factories and Establishments.

- Members :**
1. Mr. A. H. Choudhury, Deputy Secretary, Ministry of Planning (TAP), Dacca.
 2. Mr. R. A. Choudhury, Labour Adviser, Ministry of Industries.
 3. Mr. K. M. Nasirul Haque, Employer's Representative.
 4. Mr. Anisuddin Khan, Worker's Representative.

ADDRESS OF WELCOME
BY
MR. A. M. MESBAHUDDIN,
Secretary, Labour and Social Welfare Division

Mr. President,
Distinguished Chief Guest,
Representatives of UNDP, ILO and WHO,
Ladies and Gentlemen,

It gives me great pleasure to welcome you in this Seminar on "SOCIAL SECURITY AND NATIONAL DEVELOPMENT". Mr. President, it is my pleasant duty to offer you and the distinguished chief guest our heartfelt gratitude for the trouble you have taken, the time you have spared and the favour you have done us by gracing the occasion by your presence and learned talks. I also record my deep appreciation of the interest the ILO and its representatives at Dacca have evinced in this Seminar. I shall be failing in my duty if I do not mention the interest the UNDP has been showing in this and other Seminars organised by us and the ILO. I also take this opportunity of thanking the Civil Servants' Training Academy for lending their premisses and extending other facilities for the Seminar.

To the Labour and Social Welfare Ministry, today's Seminar has a great importance because its subject matter has a vital role to play in shaping the future of the working population of this country. The subject is quite comprehensive. It is our task to suggest measures for preventing and reducing accidents, injuries, sickness, unemployment and to provide for these contingencies when they occur. It is also necessary to provide economic support in retirement and old age for which there can not be any preventive measure because men and women will grow old and retire. With regard to the preventive measures it can be said that although these are not the subject matter of today's Seminar they are nonetheless an important part of an over-all scheme for the total improvement of workers' conditions and we would recall that hardly 7 days back we had discussed in some detail the same subject in a seminar on "Making Work More Human" over which, Mr. President, you had the distinction to preside. Incidentally, this goes to demonstrate the anxiety of our Govern-

ment, the ILO, the management and the workers to improve the existing conditions in these fields of labour administration and workers' life. If accidents can be prevented and reduced the painful necessity of paying compensation to the helpless victims will be similarly eliminated or reduced. The problems of environment and accident are therefore closely inter-related with those of Social Security.

Sir, may I now seek the indulgence of this august body to quote the figures of deaths and injuries during the 3 years from 1972 to 1974 which read as follows :

Number of cases of injuries

Year	Death	Permanent disablement	Temporary disablement
1972	42	838	606
1973	52	696	250
1974	54	322	263

The scale of compensation particularly in these days of high cost of living does not seem to be adequate. In this connection I can quote below the following 4 scales to show the amount of compensation received in case of death, permanent disablement and temporary disablement :

In Takas

Monthly wages of the workmen injured	Amount of compensation for		Temporary disablement of adult
	Death of adult	Permanent total disablement of adult	
100 to 200	6,000	8,400	30 p.m.
200 to 300	7,000	9,800	30 p.m.
300 to 400	7,500	10,500	30 p.m.
400 to 500	9,000	13,000	40 p.m.

In a working population of about 1.2 million in the organised Industries this figure can not be taken lightly and indicate the need for serious efforts on the part of all concerned to take preventive measures as well as to provide for adequate social security.

The question of Social Security arises when the individual cannot provide for certain contingencies because of his meagre resource, and therefore, Society has to furnish necessary economic security through appropriate organisation against those risks to which its members are exposed. Permit me, Mr. President, to mention that contingencies like unemployment, employment injuries, sickness, disability, widowhood, old age, death of the principal bread earner of the family etc. existed in the olden days; they exist today and they will continue to rise in the future also. As men grew more civilised they became better social beings with greater concern for their fellow men and that is how in the modern time the concept of social security has grown with the growth of industries and the modern economic mechanism. Social Security, therefore, is a burden and responsibility of civilisation which we neither to-day nor in the future can disown.

In production man is still today more important than machine. The well being of the man behind the machine, therefore, is a matter of priority if we want to effect over all improvement in the volume and quality of production. When the man who handles the machine knows that his organisation is concerned with his well being, then he also knows that his personal interest is linked to the interest and development of his organisation. It creates a sense of belonging and an emotional link. It is very important to bear in mind that this contributes in no small measure to the improvement of the factories and industries and for that matter, whatever may be the organisation and means involved in production. In the ultimate analysis this leads to the rise in GNP. This is one of the ways in which social security contributes directly to the National Growth.

This Seminar has to take into account the Social Security measures that now exist in our country for different sectors and suggest additional Social Security measures which can be adopted and which of the measures existing in one sector can be extended to the other sectors keeping in view our available resources and their future possible growth. Till today certain fields like unemployment remain almost wholly uncovered. This Seminar has to deliberate on such fields also.

A brief glimpse into the existing Social Security measures may not be out of place. The Workmen's Compensation Act, 1923 as amended in 1957 places an obligation on the employers to pay compensation to the workers whose monthly wages do not exceed Tk. 500.00; Bengal Maternity Benefit Act,

important factor to get to the goals of a welfare state by way of improving living and working conditions and providing people with protection against the uncertainty of the future. Well-planned measures for removing worry and anxiety are also considered important for helping the workers become more efficient. The man-days lost on account of sickness and disability also constitute a heavy drain on the slender resources of the workers as well as of the industries. Lack of social security measures may thus impede production and prevent the formation of a stable and efficient labour force. Social Security thus is not a burden, but a wise investment which yields good dividend in the long run.

The working conditions in the industries of our country, like those in any other developing countries are such that are not free from hazards. There may be occasional break in the earning of the workers due to sickness, industrial injury, occupational diseases, prolonged illness, premature death etc. All these may give rise to serious economic hardship and sufferings for the industrial workers and their families.

In advanced countries elaborate arrangement exists for rendering necessary assistance to the workers in times of their loss of earning under Social Security Schemes. These are generally covered by Unemployment Insurance, Sickness Benefit, Industrial Injury Benefits, Old age and Survivor's pension, Death Grant, Maternity Benefits and Disablement pension.

In our country too there exist social security measures in a limited way covered by Labour Laws in respect of compensation in case of industrial injuries and diseases, payment of compensation or gratuity for every completed year of service, sick leave, medical allowances, etc. for our industrial workers, maternity benefit to woman workers and also Provident Fund for plantation workers. Besides these, the Government employees have group insurance benevolent fund, and pension provisions. Employees engaged in Autonomous organisations are also provided with Group Insurance, Benevolent Fund, and Contributory Provident Fund.

Our country's programme for industrialisation requires that our productive capacity is continuously developed. Management's capacity to pay higher wages and increased benefits depends, to a large extent, on the efficiency and productive capacity of the industry. This in turn depends on the efficiency of the workers. And efficiency can only be ensured if the working class enjoys a sense of security against hazards of his occupation.

measures may go a long way in providing this sense of security. I fully appreciate that there is a need for improving the social security measures for our workers but at the same time we can not ignore the basic constraints of our socio-economic problems like density of population, unemployment and underemployment situation, low percapita income, level of education, availability of administrative and medical personnel facilities etc.

Keeping these in view, I understand, this National Seminar will embark on deliberation on matters of details on Social Security and National Development and strive at some comprehensive and objective recommendations in the context of socio-economic conditions of Bangladesh. Ladies and Gentlemen, I now take this opportunity to declare the Seminar open and wish it all success.

MESSAGE FROM
MR. H. KARASAKI, REGIONAL DIRECTOR
ILO Regional Office for Asia, Bangkok

I am delighted to send you my best wishes for the national seminar on "Social Security and National Development". Social Security is one among the traditional and major areas of involvement and work by the International Labour Organisation. In recent years, a large number of developing countries in Asia have introduced, or are planning to introduce, social security programmes appropriate to their economic and administrative capacities. The theme of this seminar is therefore, very important and timely. I am glad to learn that a number of government departments, organisations and institutions in Bangladesh are participating in this event.

Social security programmes admittedly play an important role in the national economic and social development. They are conducive to the protection and stability of the working force and enhancement of their productivity. Social security measures are also recognised as an important tool for income re-distribution. However, the national programmes of social security that are developed have necessarily to be consistent with the pace and pattern of economic and social development in each country. For each country there is such a thing as a "minimum" programme of social security at each stage of economic development. The most crucial task is to determine the elements which should go into this "minimum" package and to decide on the priorities. It is in this context that the deliberations of this Seminar on the major problems and policies of social security development in the context of national development goals and strategies, become significant.

In most developing countries in Asia, there has been an increasing trend in tripartite participation in social security planning at the national level. The workers who benefit from such programmes and contribute for them, as well as the employers who meet part of the total cost of social security, invariably participate in the discussions and dialogues with governments, before national schemes take shape. It is, therefore, most appropriate that in this Seminar, besides representatives of departments responsible for social security and national development, other institutions and organisations and especially the employers and worker's organisations in Bangladesh, should participate in the deliberations.

I hope that your discussions in the Seminar will lead to a better understanding of the problems and issues in both social security and national development in Bangladesh and that appropriate social security programmes will take shape in the country. I wish to reassure you that the I. L. O. will continue to make its contributions for the development of economically viable and financially sound programmes of social security in the country.

I look forward to reading with interest the conclusions and recommendations of this Seminar. May I wish you all success in your deliberations?

ADDRESS
BY
MR. BERNARD ZAGORIN

Resident Representative UN Development Programme, Dacca,

Honourable Presidential Advisers,
Distinguished Guests,
Ladies and Gentlemen.

It is an honour and great pleasure for me to address this meeting of the seminar on Social Security and National Development jointly organised by the Ministry of Labour and Social Welfare and the ILO.

I had the privilege of addressing the opening session of a similar seminar last Week on Making Work More Human and I trust that this one on Social Security will prove to be equally fruitful.

Social Security relates to the extension of services and protection of the members of the society in the event of unemployment, maternity, illness, injury, disablement and old age and for survivor benefits. These problems know no boundaries and are not restricted by nationality. The extent, to which a community provides social security depends very much on its cultural and social makeup, as well as the organisational arrangements which a Government or society may provide. It is not only the commitment of a country which is so very important in making available security and viability for these vulnerable groups.

It is also the resources-its financial and real resources-which a country have which has an important bearing on how much it is able to make available for this purpose. Even in the richest country there is often inadequate provision of such benefits and services involving as they do considerable cost and financial transfers.

In the developing countries the problems are even more acute and the resources are even more meagre to cope with these problems. Nevertheless efforts in this direction are very much needed. And it is hoped that this seminar will contribute to focus on the development of a better social security system in Bangladesh which is now beginning to enter a phase of economic development aimed at enlarging the income of the people in this country and having it shared widely among the population.

Picking up item of Mr. Kabir-possibly WFP vulnerable group project could provide fund for that (over 65%) given by the Government. I suggest the Government might put such a proposal to the World Food programme.

Thank you once again for inviting me to attend.

I wish your Seminar all success.

ADDRESS
BY
MR. D. CHRISTOV
Director of ILO Office in Dacca

Honourable Presidential Advisers,
Distinguished Guests,
Ladies and Gentlemen.

I am much privileged to accept your kind invitation to address the Inaugural Session of the Seminar on "Social Security and National Development" organised by the Ministry of Labour and Social Welfare in cooperation with the I. L. O. As most of you are aware, social security is one of the important areas of the ILO's activities in the World. When the International Labour Organisation was established in 1919, its objectives, as spelt out by its Constitution, included: "The protection of worker against sickness, diseases and injury arising out of his employment ... , provision for old-age and injuries, protection of the interest of workers when employed in countries other than their own". Over the last half a century, ILO's activities in the social security field have concentrated broadly on three areas: (i) standard setting activities and development of Social Institutions, (ii) research work and (iii) technical cooperation and expertise by sector. Detailed account of these activities will become available to the participants in this Seminar, during the coming three days discussion on "Social Security and National Development" in Bangladesh, in cooperation with UN Agencies.

Assistance to member countries in Planning and Development of their social security programmes is an important activity of the ILO. During the last twenty years, practically every developing country in Asia has received technical assistance from the ILO in the planning, development and improvement of its social security schemes. Admittedly, what has been achieved in the sub-continent in the social security field cannot be credited only to the ILO assistance; the success is to be attributed to the national policy of the Government, Trade Unions, Employers Organisations and the general public opinion to have social security programmes, planned, introduced, or improved in connection with the socio-economic development of each country.

In the People's Republic of Bangladesh, the Government has plans for progressive introduction of Social security measures consistent with the country's economic and administrative capacity. It is necessary that an

opportunity should be provided at this stage to elicit the views of employers' and workers' on various proposals and orientation. In this context, the specific objectives of this Seminar are :

- (i) to provide an opportunity to national planners and social security administrators to examine in-depth, the major problems and policies for social security schemes in the context of national development goals;
- (ii) to promote a greater understanding by social security administrators and development planners of principal issues, strategies and mechanisms in each others' fields; and
- (iii) to strengthen the capacity of employers' and workers' organisations to participate, meaningfully in the planning exercises undertaken at the national level to introduce social security measures.

For the success of the Seminar, ILO has designated Dr. T. I. Mathew, Senior Social Security Officer for Asia and Mr. K. Thompson, Regional Adviser in Social security, ILO Regional office for Asia, Bangkok to provide technical advice and contribute to all the sessions of the seminar. I earnestly hope that their collective efforts combined with the efforts of national specialists will enable the Seminar to achieve its objectives.

I am certain that this Seminar will substantially contribute towards the understanding by all parties concerned of major policies and issues in social security in the context of national development and that it will enable the national authorities to take policy decisions relating to social security development in the country.

I wish you all success in your deliberations.

Thank you all !

PRESIDENTIAL ADDRESS

BY

COL: (RTD.) M. M. HUQUE

Member, Council of Advisers to the President, in-Charge of
Ministry of Health Labour and Social Welfare

Distinguished Chief Guest,
Representatives of UNDP, ILO & WHO,
Guests, Participants, Ladies & Gentlemen,

It is indeed a pleasure for me to be with you this morning in this National Seminar on "Social Security and Development" jointly sponsored by the ILO and the Ministry of Health, Labour and Social Welfare, Government of the People's Republic of Bangladesh. It is for the first time that a seminar on this subject is held in the country. I extend my thanks to the organisers of the seminar.

I am confident, the national seminar with the participation of the employers' and employees representatives and other participants will be able to find out ways and means of improving the Social Security Measures in the context of our national development. This may act as an incentive to our workers in increasing their efficiency leading to productivity and overall economic progress.

I understand there has been some attempts in the past to introduce certain Social Security Schemes in Bangladesh. I hope this seminar will provide an impetus in this respect.

The Social Security Scheme creates a sense of security among the working people by minimising the sense of insecurity against the risks arising out of contingencies of life, which are, work injuries, occupational diseases, unemployment, retirement, and premature death. For developing countries like ours it helps in achieving the goal of a Welfare state by improving working and living conditions of the workers.

At present our workers are covered by Social Security Measures in respect of Compensation in case of industrial injuries and diseases, payment of compensation or gratuity for every completed year of service, sick leave and

medical allowances for the workers. Bangladesh having 1.1 million organised labour force engaged in 7845 registered factories and other establishments of whom annually about 4500 workers are injured and impaired with either partial or total disablement, due to accidents arising out of and in course of employment. This figure does not include the persons injured out-side factories. To cover these contingencies, safety provisions have been provided in the Factories Act, 1965 which were discussed at some length in the Seminar on "MAKING WORK MORE HUMAN" recently concluded. Governments' concern to improve the situation is reflected therein. In addition, the Government have provided for payment of compensation to the workmen whose pay does not exceed Tk.500/-under the Workmen's Compensation Act, 1923 as amended in 1957 who suffer from accidents and occupational diseases. Approximately a sum of Tk. 1. 2 millions is paid as compensation for work injuries. It also amounts to an approximate lose of 40,000 man-days a year. In order to improve the situation, the present Government is actively considering to further amend the Workmen's Compensation Act to widen the scope of its coverage.

To protect the workers against old age insecurity, the Government has provided Provident Fund benefits to the Tea Plantation workers in Bangladesh through the enforcement of Bangladesh Tea Planation Employees Provident Fund Ordinance, 1959. In addition, a substantial number of Mills, Factories and Establishments have their own Provident Fund system introduced through collective agreements. Provision is also there for payment of gratuity or compensation to the old, retiring, terminated, discharged and retrenched workers at the rate of 14 days salary for each year of service under the Employment of Labour (Standing Orders) Act, 1965.

Lay-off benefit is provided to the workers for involuntary unemployment at the rate of 50% of their pay and full Fringe Benefits for a period of 45 days and 25% for the period exceeding 45 days as laid down in the said Act.

Maternity Benefit is provided to the women workers engaged in Factories, Establishments and Plantations during ante-natal and post-natal periods.

Our Laws also provide provision for sick leave for workers. And, in addition, the medical allowances are being paid to the workers at the rate of Tk. 20.00 P.M. Medical facilities are also offered to the workers in various:

industrial belts of the country through the 18 Labour Welfare Centres maintained by the Labour Department of the Government. The Rural Health Centres and Government run Hospitals and Dispensaries provide medical care and attention to our people. The Government is also actively pursuing the policy of establishing the Hospitals and Housing complexes in the industrial Areas in Bangladesh.

Besides, the Government employees and employees engaged in Autonomous and Sector Corporations are entitled to benefits of Group Insurance, Benevolent Fund, Provident Fund, Pensions, Medical Allowances, Gratuity etc. to cover the incidences of risks of life.

It is worth while to study and examine the feasibility of introducing uniform social security measures through Insurance coverage. Although apparently social security measures look like a burden to both employers and employees in the ultimate analysis it is very rewarding to all concerned. To minimise the burden suitable measures may be adopted if necessary, by phases.

May, I expect that if there is a dedication and hard work to build up our nation, one day we shall be able to eliminate the five giants such as want, ignorance, squalor, unemployment and disease from the country for securing a better standard of living for the people. But to-day we are facing multifarious problems, such as, population explosion, unemployment and under-employment, lack of trained manpower, poor percapita income, inadequate insurance and banking credit facilities and financial resources. With all these handicaps and constraints, the Government intends to do its best in gradually improving the social security measures for the people in the country.

I now call upon you all to deliberate freely on the issues and come up with an appropriate workable recommendation in the background of our socio-economic conditions and I wish the all-round success of this seminar.

VOTE OF THANKS

BY

M. ASHRAF ALI

Labour Adviser, Ministry of Labour and Social Welfare, Dacca

Mr. President, Distinguished Chief Guest,
Representatives of the UNDP, the ILO and the WHO,
Guests,
Ladies and Gentlemen,

I, on behalf of the Ministry of Health, Labour and Social Welfare and on behalf of the Preparatory Committee, extend my heartiest thanks to you all for having made it convenient on your part to grace this seminar with your presence.

We are particularly grateful to the distinguished Chief Guest, who has kindly come and delivered the inaugural address despite his pre-occupations. Evidently, we in the Preparatory Committee kept in view his long experience in the administration and social Welfare, when we called upon him to be with us in our endeavour to make the concept of social security known through this seminar. I must say that his learned discourse before this august body has been rewarding to you all and naturally to us.

We are equally grateful to the President of this inaugural session for his continued interest in the Seminar. His presence, I should say, is indicative, of the approval of the Government to the programmes of this seminar which are set to discuss at length the concepts, programmes and prospects of social security system in general and, in particular, in the context of Bangladesh.

The illuminating information on social security measures undertaken by the Government and passed on to us by the President will, I hope, remain the point of convergence for the technical papers to be presented and the discussions on them. With a personality like him in charge of the Ministry of Health, Labour and Social Welfare, one may visualize a bright future for social security programmes in this country.

May I take this opportunity to say that, the UNDP, the ILO and

other organizations have helped us, without reservations with human and material resources in this venture and I shall be failing in my duty if I do not acknowledge with gratitude the contributions of Mr. Bernard Zagorin of the UNDP, Mr. Dragan Christov, Dr. T. I. Mathew, Mr. K. Thompson and those in the ILO Offices in Bangkok and Geneva. I may also thankfully mention the interest shown by the WHO in this Seminar.

In this connection, I should suggest that the credit for all that were done so nicely for the seminar go to the contributors, participants and guests who could be persuaded by the Preparatory Committee to be here on this occasion. I shall be faithfully recording the sentiment of the members of preparatory, committee when I say that the prime-mover for us all has been the Secretary, Labour and Social Welfare Division, who by coincidence is also the Chairman of the Preparatory Committee.

I also gratefully record here our appreciation of the co-operation we have received from the Director-General, Civil Servants' Training Academy, who has kindly allowed us to use the premises for the seminar.

With these words, I extend again the vote of thanks to you all and invite you to the lounge in the second floor of the main building for a light refreshment.

Thank you.

CHAPTER—II

Working Papers and Recommendations by Sessions

FIRST SESSION

"INTRODUCTION ON CONCEPTS, METHODS AND PROGRAMMES OF SOCIAL SECURITY WITH PARTICULAR REFERENCE TO ILO'S ROLE AND ACTIVITIES IN PROMOTION OF SOCIAL SECURITY IN DEVELOPING COUNTRIES OF ASIA"

BY

T. I. MATHEW

Senior Social Security Officer, ILO Regional Office for Asia, Bangkok

1. The objectives of this paper is to elucidate in some detail the basic concepts, definitions and methods of "social security", the programmes that have been developed over the years to provide social security protection, and explain the role and activities of the International Labour Organisation in the promotion of social security programmes in the developing countries, and especially those of Asia.

I. CONCEPTS, METHODS, AND PROGRAMMES

2. The concept of "social security" has admittedly emerged through a long period of evolution. Its history is probably as old as the history of man. The quest for survival has prompted mankind, from the beginning of its existence, to devise ways of protecting itself from the hazards of life. In the primitive societies, the contingencies against which protection was sought centered round the need for self-preservation against the vagaries of nature and external aggression and were largely conditioned by the peculiarities of the environments in which people lived. However, with passage of time, both the nature of contingencies as well as the methods adopted to meet them changed a great deal, Biblical stories tell us how during the years of famine, Joseph tried to tide over the situation by making use of surplus stocks of grains which he had stocked during earlier years of plenty. In this example, we see some elements of social security. But both the society in which Joseph lived and its problems changed a good deal over the years. The intervening centuries between Joseph's times and the modern times saw very important changes in the structure of society, the role of State functions, men's expectations from the society and the State, the economic and social situation, and above all, the role and functions of social institutions. It is probably not necessary to trace the course of transition from these early stages to modern times and the factors which changed the character men's needs. The changes from primitive to pastoral society, from agrarian society

to the industrial age and to the present-day highly materialistic and urban era also brought about changes in the social values and institutional set up. The break-up of the joint family following the emergence of urbanisation and industrialisation and, in the process, the withering away of the institutional base for security and support made it clearer that security in case of need had to be increasingly provided by society through own and that an individual alone could not be expected to fend for himself. The various efforts made by men to provide for such security in times of need—that is, when their incomes stopped on account of reasons beyond their control, viz., sickness, injury, unemployment, old-age, invalidity etc., are recorded in history. These early efforts and devices and their metamorphosis into varied forms such as mutual-aid (self-help), assistance from philanthropic organisations, saving plans, private insurance, employers' liability, social assistance, social insurance, and finally social security, were a logical outcome of the development of society and social institutions which took place in the course of centuries.

3. Although there is no universally accepted definition of the concept of social security, it is now generally understood that "social security" is the protection furnished by society to its members in prescribed contingencies or circumstances ; its purpose is to reduce the impact of contingencies involving a loss or substantial reduction in income and to provide medical care and/or financial guarantees against the economic consequences of those contingencies when they do occur. The contingencies normally dealt with by social security include :

- (i) the need for medical care :
- (ii) suspension, loss or substantial reduction of income due to-
 - (a) sickness ;
 - (b) maternity ;
 - (c) employment injury, covering both accidents and occupational diseases ;
 - (d) old age ;
 - (e) invalidity ;
 - (f) death of the breadwinner ;
 - (g) unemployment ; and
- (iii) responsibility for maintaining children.

To meet the foregoing contingencies, social security programmes provide a series of benefits which include : (a) medical care ; (b) sickness benefit ; (c) maternity benefit ; (d) employment injury benefit ; (e) old-age benefit ; (f) invalidity benefit ; (g) survivors' benefit ; (h) unemployment benefit and ; (i) family benefit ;. Apart from medical care and cash benefits, several social security schemes provide various welfare services to persons protected by them. Such welfare services (e. g. vocational rehabilitation of disabled persons, services for convalescents, vocational training and retraining of unemployed workers, facilities for recreation etc). are provided by, or through arrangements made by, social security administrations. It appears useful to give some elaboration on the character of social security benefits.

(I) Medical Care Under Social Security

4. The objective of medical care under social security is to maintain restore or improve the health of the person protected and his ability to work and to attend to his personal needs. The broad term "medical care" is expected to include a series of services which include : (a) general practitioner care, including visits to home ; (b) diagnostic examination. (c) care by specialists ; (d) pharmaceutical supplies ; (e) maternity care by qualified midwives and doctors ; (f) nursing and maintenance in hospitals (g) dental care ; and (h) other forms of treatment, including provision of orthopaedic aids ; and (i) rehabilitation services, etc. However, paucity of personnel, financial and material resources often set constraints to the organisation of medical care services within the framework of social security. Thus, especially in the case of developing countries where such resources are usually scarce, a policy of gradual extension of medical care under social security is viewed as most expedient.
5. There are indeed different methods of providing medical care under social security. A number of countries have national health service under which fairly complete free medical care is provided by the State as a public service for all citizens. In most developing countries, shortage and mal-distribution of medical, personnel, and health care infrastructure, coupled with inadequate resource allocation for this purpose from revenue budgets, set a limitation to the application of this method. Voluntary insurance programmes for medical care which operate in some countries have some advantage and many disadvantages. While such programmes

provide people with the freedom of choice and also preserves the traditional relationship between doctor and patients, they suffer from certain serious handicaps. The coverage of voluntary schemes cannot be comprehensive; there might be important exclusions, e. g. for such ailments as heart-diseases, cancer, mental diseases, etc. The poorer sections of the people might not normally volunteer to join these schemes; even while they do, since the premiums under such schemes are not related to the income of insured persons, the poorer sections tend to contribute larger percentages of their incomes to the scheme, as compared to the affluent sections.

6. In many countries, compulsory **health insurance** has come to be developed as a principal mechanism of providing medical care within the framework of social security. Apart from payment of cash benefits to compensate for income loss due to sickness or maternity, such schemes usually provide medical and maternity services to the insured persons and their dependants. The major methods applied under such programmes take the form of (a) limited refund of medical expenses incurred by protected persons; (b) direct provision of medical care by medical personnel employed by the insurance schemes; and (c) direct payment by the scheme to providers of medical care for the protected persons. It has to be pointed out that a number of health insurance schemes stipulate certain qualifying period of contributions or employment for realisation of medical care benefits; varied formulas are adopted in the national schemes.

(II) Cash Benefits

7. Cash benefits under social security undertake to replace a part but not all of normal earnings or income of the person protected. This is necessary both to prevent abuse and to avoid excessively high cost. It is also important for any social security scheme to retain some incentive to encourage workers to return to work as soon as they are able to work. Such an incentive cannot be maintained when practically the same amount is available to a worker whether working or not working. There are two types of cash benefit; one is wage related and the other is a flat rate. A benefit formula prescribing a flat rate for all persons protected may not be appropriate where substantial differences in wages prevail. A flat rate benefit may equal or exceed the wages of lower paid workers, or it may not be enough to ensure adequate protection for higher paid workers.

8. The following table indicates rates of cash benefits (periodical payments) provided for in ILO's Social Security (Minimum Standards Convention, 1952 (No. 102), where they are calculated on the basis of the previous earnings of the beneficiary or his breadwinner. •

CONTINGENCY	STANDARD BENEFICIARY	PERCENTAGE
Sickness	Man with wife and two children	45
Unemployment	Man with wife and two children	45
Old age	Man with wife of pensionable age	40
Employment injury :		
Incapacity for work	Man with wife and two children	50
Invalidity	Man with wife and two children	50
Survivors	Widow with two children	40
Maternity	Woman	45
Invalidity	Man with wife and two children	40

It needs to be stressed that the above rates are an internationally accepted minimum standard and that in practice, a considerable number of national legislations provide higher rates of benefit than those indicated in the above table. Taking this fact into account, the recently adopted Social Security Conventions prescribe the following rates in respect of the previous earnings: 60 per cent in case of sickness under the Medical Care and Sickness Benefits Convention, 1969 (No. 130); 45 per cent in case of old age and survivors and 50 per cent in case of invalidity under the Invalidity, Old-age and Survivors' Benefits' Convention, 1967 (No. 128); and 60 per cent in the case of employment injury for temporary incapacity for work and invalidity and 50 per cent for death of the breadwinner under the Employment Injury Benefits Convention, 1964 (No. 121).

9. Social insurance cash benefits are usually paid throughout the contingency in the form of periodical payment. However, in the case of sickness and maternity benefits, it is usual to provide for a maximum period during which the benefit is payable. Furthermore, the sickness benefit (and, if separately introduced, the employment injury temporary incapacity
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- 1. In the case of schemes where flat rate benefits are provided, the benefit rates must attain the same percentages of the total wages of an ordinary adult male labourer.

benefit) may be made not payable for the first few days (but usually not more than three days) of incapacity for work. This represents the so-called waiting period. The intention is to lighten considerably, the administrative load as well as the financial burden of the new scheme by eliminating a number of small claims. However, an increasing number of countries now provides for the benefit to be payable retrospectively for the waiting period whenever incapacity continues for longer than a prescribed period, such as half a month or one month, and not to impose the requirement of a waiting period where the second spell of incapacity follows the first within a specified time of short duration (for example fifteen days or less).

10. With, a view to safeguarding the financial equilibrium of the social insurance scheme and to avoid abuse, it is necessary to limit the payment of benefits to **bonafide** members of the scheme, i. e. persons protected by the scheme. Accordingly, members are required to have been in covered employment for a specified minimum period before being considered eligible for the benefit. Such a period which may be expressed by the number of contributions paid or length of coverage by the scheme is naturally shorter for the entitlement to sickness, maternity and unemployment benefits than for old-age, invalidity and survivors' pensions. The qualifying period for disability pensions and survivors' pensions should, however, be shorter than for old-age pensions, since the contingencies in which the first two pensions are payable may occur in the productive life of the person protected and if a long qualifying period were fixed, it would practically deprive a considerable number of persons of protection. Thus the qualifying period for invalidity and survivors' pensions is usually reduced to a minimum required as a test that the claimant or his breadwinner was actually in the group of persons protected.
11. Where a person protected suffers the contingency concerned as the result of employment injury, the benefit (i. e. temporary incapacity benefit, permanent disability pension-or grant-or survivors' pension) is always paid without the requirement of a qualifying period; he should be entitled to the benefit even if the employment injury occurs on the first day of work. Furthermore, if a protected person sustains disability or dies as a direct result of an accident, even of non-occupational origin, the benefit is paid in some cases without applying the provisions

concerning the qualifying period. Examples of this type of provision could be found in the schemes of certain countries.

II. PERSONS PROTECTED BY SOCIAL SECURITY

12. Social Security Schemes in most countries usually aim to protect the entire population. However, as in many other areas of social policy, actual coverage by such schemes depends not only on what is socially desirable but also on what is economically possible and administratively feasible. In most developing countries, the objective needs for social security are genuine and subjective needs arising from the awareness of operation of similar themes in other countries are rapidly increasing. It would, however, be unrealistic that a comprehensive social security scheme covering the entire population or even all the economically-active population might be established all at once in a developing country. Therefore, in planning the introduction of social security schemes, many countries have followed a policy of gradual extension of their schemes depending on growth in economic capacity and administrative and other related facilities. In many countries, the economically-active persons who are first covered by social insurance are wage earners and salaried employees whose numerical and political importance has been steadily increasing, and whose means of subsistence depends entirely or largely on their wage earnings. However, there has been an increasing awareness in many developing countries that the rural people who largely remain outside the ambit of organised schemes by social security, should be provided with social security benefits. This matter will be touched upon later in this paper.

(i) Employees in Small Establishments

13. While the national legislations of social insurance in many countries envisage the coverage of all wage earners and salaried employees, the legal framework of the schemes is invariably designed in such a manner as to enable the authorities to extend the scope of their application by stages. For example, at the initial stage of its implementation, a particular scheme might cover only employees in the establishments, having, say, twenty or more workers in one or two specified areas ; this limitation might gradually be abolished after the scheme has been in operation for some time. If the scope of a scheme includes smaller establishments from the initial stages of its operation, the scheme might face some

serious administrative difficulties. For example, some small establishments might be short-lived and it may be impossible to trace their employers or their employees, resulting in duplicating registration of such employees in the social insurance institution. For small enterprises, it may not normally be an easy task to follow some of the complex procedures of social insurance operations in view of the limitations of their staff resources. However, in practice, the national legislations of many countries provide that once an undertaking is covered by a particular scheme, it should remain in the scheme even when the number of employees decreases below the prescribed minimum.

(ii) Higher Paid Employees

14. Some social security schemes exclude from the scope of application persons earning remuneration in excess of a prescribed limit. This is the case, for example, in many workmen's compensation schemes based on the principle of individual employer's liability as well as in some social insurance schemes of the past. Such exclusion of higher paid employees is an old practice when social security was regarded as a measure specifically for the protection of the lower income groups and when higher income groups were assumed to be able to make their own private arrangements for protection against the contingencies covered by social security. This assumption ceased to exist as a result of the social and economic changes which took place in the post-war period. From the technical point of view, the remuneration limit unduly complicates the administration of the social insurance scheme, since individuals might have wage earnings above and below the limit in the consecutive periods. The practices of exclusions have largely disappeared following the emergence of social solidarity. On the other hand, a considerable number of the existing social insurance schemes contain provisions which specify a maximum of earnings to be taken into account in calculating the amount of contribution to be paid and that of benefits payable. Thus, employees whose earnings exceed the maximum are also compulsorily covered by the scheme but they pay the contribution, and receive the benefit, on the basis of that maximum.

(iii) Casual Worker

15. Coverage by social insurance schemes of casual workers is one of the problems which confront many countries. The contributions paid in

20. Newly established social insurance schemes in many countries are designed as self-supporting programmes, i. e. financed by contributions from insured persons and their employers, without any form of regular state subsidies which are considered not justifiable, where, at least at the initial stage of their implementation, they apply to a rather limited sector of the total working population of the country. However it has often proved necessary to make available a certain amount of loan or grant from the treasury to cover the initial cost needed for the period during which the body responsible for the administration of the scheme is engaged in the preparatory work. Often, such loans are refunded to the treasury in an appropriate manner after the scheme has been in operation and some reserves have been built up.
21. The participation of the employers in financing of social security has been considered justified and desirable in many countries. Employers derive advantages from social security. It is certain that in industrilised countries and developing countries also, social insurance helps to maintain industrial peace and the stability of the social order. Its benefits conserve the workers' productive capacity without which the industry would be less prosperous. It is a fact that in the absence of state intervention, enlightened employers are accustomed to initiate and provide welfare measures of many kinds for their employees, and this fact seems to show their sense of social responsibility and their awareness that generosity on their part brings, as it should, a reward. While an employee's right to benefits may be based on his employment rather than his participation in the financing of social security his contributions are justified on the ground that his right to benefit is reinforced by the fact of the contribution payment. In addition, participation of the protected persons in the administration of the scheme and their active interest in its proper management are often heightened by this direct financial participation. Besides, employees may wish to demonstrate by their contributions, their conviction that the employees's contribution is an expression of his personal responsibility for himself, for his family and for his fellow workers.
22. ILO's Social Security (Minimum Standard) Convention, 1952 (No 102), laid down the general principle regarding the cost sharing of social security as follows: "The cost of the benefits... and the cost of administration of such benefits shall be borne collectively by way of insurance contributions

or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member country and of the classes of persons protected." The Convention has also set a maximum limit for the contributions of employees: "The total of the insurance contributions borne by the employees protected shall not exceed 50 percent of the total of the financial resources allocated to the protection of employees and their wives and children. For the purpose of ascertaining whether this condition is fulfilled, all the benefits provided by the Member in compliance with this Convention, except family benefit and, if provided by a special branch, employment injury benefit, may be taken together."

23. A major problem in the field of social security financing is the maintenance of the real value of benefits, particularly those payable in the case of long-term contingencies. It may be accepted that benefits should bear a certain relationship to the value of labour at the time when they are payable. In other words, certain safeguards must be worked out to protect the value of benefits during an inflationary period. Another important problem in this sphere is the ever-increasing cost of medical care and medicine, which has an impact on social security financing, irrespective of whether medical care is provided through public services or social insurance. Even where the morbidity rate is decreasing or not increasing, the cost per case per person tends to go up. This is probably due to the increasing price of drugs, development of medical science and demands by public for medical care of higher standards.
24. The financial reserves built up under social security schemes and especially those providing pensions, have important economic influence. This is particularly significant in developing countries, where domestic savings are insufficient to meet the requirements of capital for economic development. The ultimate effect of such savings will depend on the manner in which they are utilised. But if appropriately invested, the reserves accumulated under a social security scheme can help to an important degree in meeting the acute shortage of capital. It should, however, be mentioned that in the absence of well-defined investment criteria and corresponding investment policies, the capital accumulations under Social Security Schemes might be dissipated or misused.

(ii) Some Problems of Organisation

25. All social security programmes, however well formulated, will be futile if they are not properly implemented. The implementation of social security schemes involves many administrative operations, such as the registration of protected persons and their employers, identification of the persons concerned, collection of contributions, adjudication of claims payment of benefits, inspection, procedures for appeal, etc. These administrative operations must be completed quick and accurately in accordance with law and regulations on which the schemes are based; there should not be any gap between legislation and administration. The ultimate responsibility for social security measures rests with the Government, but there is a choice as to the form of body responsible for administering a social security scheme. It lies between direct administration by a government department and administration by statutory board to which the government delegates administrative powers. One advantage of a statutory board is that it can be constituted in such a way as to give representatives of employers and employees a direct interest in the administration of the scheme : usually such a board consists of representatives of various government departments (e.g. departments of labour, health and finance), and those of workers' and employers' organisations; and the board directs and supervises the operations of the social security institution headed by a chief executive officer. Where direct administration by a government department is adopted, employers and employees play their part by providing the bulk of representatives on advisory committees.
26. The administrative functions in a social security scheme are normally distributed between central and local offices having regard to the convenience of the persons protected and considerations of economy. Those branches of the scheme which frequently come into contact with beneficiaries will require local offices in all localities where the insured population attains a minimum density. The insured persons value simplicity and promptness. Every effort is therefore, made usually to ensure their easy access to the scheme, and in this sense, local offices have their own importance. According to usual practice, the main index of employers and insured persons is maintained at a central office from where information is supplied, as necessary, to the local offices in connection with the determination of entitlement to benefit. In

addition, there are special units in the central office to deal with matters of general concern to the scheme such as finance and audit collection of statistics, staff records and supervision, equipment and maintenances of offices, etc.

27. While it is always aimed that there should not be any gap between legislation and administration, such gaps can occur. In some countries the social insurance scheme in fact protects only a portion of the employees who, according to the law, are entitled to protection. In some cases the number of members in fact contributing is far smaller than that of those who are nominally registered under the scheme. The reasons for such situations may be; very ambitious legal provision or political decisions; the intention may have been to cover as many persons as possible in the shortest time, disregarding various limiting factors. Apathy and even intentional evasion of the law on the part of some employers and workers might hinder the efforts of the social security institutions to ensure a fuller coverage. Social security institutions might also face difficulty on account of administrative and staff resources.

IV. PROGRAMMES OF SOCIAL SECURITY IN ASIA

28. In the Asian countries, the national governments have adopted one or more of the following four types of social security programmes:
- (i) employers' liability schemes under which individual employers are made legally liable to provide certain benefits directly to the workers;
 - (ii) statutory provident funds which are operated on the basis of individual accumulation of savings from the contributions of employers and workers, and the addition of interest;
 - (iii) social insurance schemes established on the basis of a central fund built-up on the principle of pooling of risks and resources;
 - and (iv) non-contributory benefit schemes which provide income security not related to employment and without financial participation of employers and workers. *

* For details on the scope, coverage and limitations of social security programmes which currently operate in Asia, as well their perspectives, please see the Basic Paper under topic (b), "Trends and problems of social security in developing countries in Asia" by Mr. K. Thompson.

V. ROLE AND ACTIVITIES OF THE ILO IN PROMOTION OF SOCIAL SECURITY IN DEVELOPING COUNTRIES IN ASIA

(i) The Mandates

29. When the ILO was established in 1919, its objectives, as specified by its Constitution included "the protection of worker against sickness, disease and injury, arising out of his employment - provision of old age and injury, protection of the interest of workers when employed in countries other than their own." This original mandate which might appear today as too restricted was consistent with the stage of development reached at that time (1919) by collective measures of protection against the consequences of social contingencies. In 1919, very few countries of the world had established compulsory social insurance schemes for workers and their dependants. However, with the evolution of social insurance and the emergence in the late 1930s of more comprehensive ideas about State responsibility towards the Welfare and well-being of its citizens, the mandate of the ILO in the social security field was formulated in 1944 in the Declaration of Philadelphia (which became in 1946 an integral part of ILO's Constitution) which set the obligation of the ILO to further world programme to achieve the extension of **Social security measures** aimed at providing a basic income for all in need of such protection.
30. In order to initiate a new phase of international action to deal with substantive problems arising out of the implementation of Social Security concept, the ILO adopted in 1944, two basic Recommendations, one dealing with income security (No. 67) and the other with medical care (No. 69). Recommendation No. 67 suggested extending income security to all workers, whether wage-earning or self-employed, as well as to their dependants, that is, to the whole working community considered as a unit for reasons of the solidarity needed to combat hardship and want. Recommendations No. 69, on the other hand, proposed guaranteeing medical care to all members of the community, whether gainfully occupied or not-a fundamental guarantee deriving from the right to health of every person as a member of an organised society. These two instruments provided the doctrinal bases on which the social security programmes and activities of the ILO were further developed and on

which they stand at present. The most recent policy statement which up-dates these mandates and which has an impact on ILO's current and future activities in social security is embodied in the Resolution concerning future activities of the International Labour Organisation in the field of social security adopted by the 56th Session of the International Labour Conference (Geneva, 1971).*

31. The principal instruments applied by the ILO for realisation of its objectives in social security are, Standard Setting, Research and Studies and Technical Co-operation. All these three instruments are closely interrelated and mutually reinforcing.

(ii) Standard Setting

32. Between 1919 and 1939, the guiding principles contained in the ILO Conventions and Recommendations on Social Security-often in advance of national legislation-have been instrumental in spreading over many countries, systems of social insurance which might otherwise have remained experiments for the benefits of a privileged group of workers. During the latter part of the 1940s, the ILO played a decisive part in developing world-wide awareness and acceptance of the new and much broader concept of social security based on the principles of universality of protection, adequacy of benefit coverage and unification of individual branches of insurance within the framework of a national system. In this context, the part played by the two basic policy instruments viz., the Income Security Recommendation No. 67 and the Medical Care Recommendation No. 69, has already been mentioned in para 30 above.

* The major policy and programme thrusts emanating from this important Resolution include (i) intensification of efforts for rapid extension of social security protection to the hitherto uncovered vulnerable groups such as migrants and rural workers ; (ii) special measures for adjustment of social security benefits to variations in the cost of living ; (iii) inclusion "social security" in workers education and management training programmes ; and (iv) intensification of technical co-operation activities to strengthen national social security programmes.

33. Social Security (Minimum Standards) Convention (No. 102) adopted by the International Labour Conference in 1952 marked a significant land mark in social security standard setting. The instrument provided internationally acceptable standards of basic protection, account being taken of the fact that they had to fit the specific conditions of a wide range of countries having reached different stages of economic and social development. The Convention provided a practical framework to apply modern concept of social security in national legislation and has also served as a model.
34. The revision and up-dating of the Pre-war Social Insurance Conventions in the 1960s was the logical consequence of the evolution that had taken place in national legislation and of awareness that international regulations, just as much as national law, must be able to adapt to changes in social conditions and technique. Thus the employment Injury Benefits Convention 1964 (No. 121), Invalidity old-age and Survivors Benefits Convention, 1967 (No. 128) and Medical Care and sickness Benefits Convention 1969 (No. 130) were all aimed at improving the standard of social security protection in the different countries. From 1919 till 1976, a total of 144 Conventions were adopted by the International Labour Conference; 25 of them were in the field of social security.
35. The various Conventions and Recommendations on Social Security have had a profound influence in the development of national legislation for social security as well as evolution of schemes in different countries to provide specific protection. In many developed countries, such standards helped further to consolidate and improve the coverage and benefits of their social security schemes while in the developing countries they brought about the realisation of the gap between what is necessary in terms of social security and what is in fact available in those countries.

(iii) Research and Studies

36. The research and studies undertaken by the ILO provide the foundation for ILO's standard-setting and technical co-operation activities. These studies and research could be classified into the following three broad groups :

- (a) **Policy and standards** - mainly studies providing the basis of international standards, and studies prepared for use at the regional level, primarily through regional conferences;
- (b) **Specific subjects** - including the elucidation of actuarial techniques, studies directed towards the needs of developing countries, comparative studies; and
- (c) **Training oriented publications** which are designed for social security administrators and executives.

It would be useful to give some specific examples of the research and studies in social security undertaken by the ILO merely as a means of illustrating the range of subjects and areas covered. An important research activity has been the continuing comparative examination of the factual basis of social security law and practice throughout the world. The periodical ILO inquiry into the "Cost of Social Security" undertaken since 1949 and the publication of the results has a two-fold purpose. Firstly, it attempts to provide a consolidated statement of the financial operations of all social security schemes existing in industrial and developing countries, according to common working definition of "Social Security" and to a uniform pattern of analysis. The second objective is to provide an international comparison of the data by determining the trends in social security costs for various countries during the period covered by the successive inquiries and by comparing the distribution of the cost of social security between different sources of revenue and between different types of social security schemes. In order to assess the importance of social security in the national economy, the data are also related to various national account aggregates, such as gross national product or domestic consumption expenditure either as aggregates or per head of population. The last issue (1972) of this publication contained a special supplement on the scope of coverage, in terms of the number of persons protected, of different branches of social security. Research efforts have also been devoted to a number of technical problems which are of concern to great number of countries especially in the developing world, such as, the planning and implimentation of medical care schemes, the extension of social security to the hitherto uncovered sections of the population, in particular to vulnerable groups such as rural and migrant

workers and financial and actuarial organisation of social security schemes. Some of the relatively more recent publications especially relevant to developing countries are :

The Organisation of Medical Care under Social Security, ILO, 1969.
The Report of a Joint ILO/WHO Expert Committee on Personal Health Care and Social Security, ILO, Geneva, 1971.

Social Security in Agriculture, ILO, Geneva, 1972.

Medical Care Systems, ILO, Geneva, 1974.

Social Security for the Unemployed, ILO Geneva, 1976.

37. The International Labour Review, a monthly journal published by the ILO from Geneva, frequently publishes legal and technical articles on major aspects of social security, contributed by officials of the ILO or external experts. Some of these articles are based on studies specifically undertaken by experts in various fields relevant to social security. A list of recent articles on social security published recently in the International Labour Review is given in APPENDIX I.

(iv) Technical Co-operation

38. Technical co-operation in the development of social security has indeed a long history. In the course of the last 20 years, practically every developing country received technical assistance from the ILO in the planning, development and improvement of their social security schemes. The ILO social security advisers and experts have helped to shape national policies, influence legislators, guide administrators and advise financial experts at a time when social security was taking deep roots in developing countries of Africa, Asia, and Latin America. Evidently what has been achieved in the developing countries of the world in the social security field cannot be credited to the ILO alone ; the success is to be attributed to the determination of national governments, trade unions, employer and the general public opinion in these countries, to have security programmes planned, established or improved. It is true that in many countries, the ILO has been called upon to sustain and to orient national policies and programmes by providing the indispensable technical know and framework to translate what often was no more than a vague aspiration into tangible results. The advisory services provided from the ILO can be broadly grouped under the following headings :

- (a) analysis of the demographic, social and economic background, with recommendations for the first introduction of a social security scheme and the priority of its branches ;
- (b) assistance in drafting social security legislation, and appropriate rule and regulations, for the introduction of new schemes or the improvement of schemes which already exist ;
- (c) preparation of actuarial studies, and advice on social security financing ;
- (d) advice on administrative or accounting methods and procedures, and mechanisation or computer techniques, and assistance with staff training ;
- (e) assistance in the planning and organisation of medical services of social security schemes, and their co-ordination with public health services ;
- (f) advice on policies for the adaptation of existing programmes to the needs of the rural population or to low-income self employed persons.

39. Methods of providing expert advisory services to national governments are diverse. Where the assistance required is of a short duration involving for example, a preliminary and exploratory mission or the provision of quick high level advice, they are usually undertaken by senior staff of the Social Security Department or a Regional Specialist. The longer projects, which receive substantial financial support from the United Nations Development Programme, call for staffing with experts recruited on an adhoc basis outside the office. The job is difficult. Apart from technical qualifications, it calls for tact, diplomacy and imagination, a facility for quick adaptation to the very different conditions prevailing in developing countries and an appreciation that methods and techniques in the industrialised countries from which experts are usually drawn will not necessarily bring the desired results elsewhere. The expert has of course the ILO international standards to guide him in planning and legislation, but there are manifest risks inherent in the possible isolation of expert and his uprooting from what can be an entirely different technical environment. To minimise them, the staff of the Social Security Department, and the Regional Officers, systematically support, orientate and help technical co-operation experts. In this connection, contacts with organisations of workers and

employers are arranged to assist experts in the developing countries to understand local circumstances and needs, and since, in the large majority of social security institutions receiving ILO assistance, representatives of these organisations share management responsibility with Government officials, they can directly follow the work of the expert and effectively contribute when consideration is given to implementing the proposals made by the ILO.

40. There are of course some failures in technical co-operation due in some instances to shortcomings of the expert in meeting the demands of this challenging work, and, in others, to lack of initiative and determination on the part of the recipient country in implementing proposals for the introduction or reform of social security, or to its political instability. It can also happen that the Government plans have been unrealistic or too ambitious in the stage of national development so far attained, and are abandoned, or that the ILO service proves to be untimely because for example of prolonged but unavoidable delay in finding a suitable expert. But the large majority of technical co-operation missions so far have been successful, even though some way take longer than expected to come to fruition.
41. It is difficult to analyse in detail within the limits of this paper the technical assistance provided from the ILO to the developing countries in Asia. Some typical examples of specific assistance provided from the ILO in planning, development, and consolidation of social security programmes in the developing countries of Asia and the Pacific, are given in **Appendix II**. More than anything else, it is possible to perceive the long history of ILO's active participation in the national efforts to plan and build-up their social security systems.
42. The success of any social security programme obviously depends on the financial organisation selected, which must take account of a variety of issues and also balance the need for capital formation against the desirability of keeping labour costs within reasonable limits-especially in the case of young and developing economies. Ill-advised investment policies could be disastrous. The financial system for the social security programme has to be based on a careful assessment of all the relevant factors and calls for complex and highly sophisticated actuarial techniques. Only in this way can governments, planners and social security

administrators receive the experienced and informed actuarial advice which is essential to estimate the future level of income and expenditure under various economic, demographic and biometric assumptions, and to recommend the method of financing and the investment guidelines best suited to the country's development and income distribution goals. Moreover, after a social security scheme starts operation, its financial development needs to be continuously monitored and its financial organisation reassessed at frequent intervals - usually between 3 and 5 years - in the light of changing circumstances. This requires the carrying out of actuarial reviews of the social security scheme, a matter which is statutorily provided for in many countries in their social security laws. And actuarial advice is indispensable when important modifications are being envisaged in an existing social security scheme. Taking into account the shortage of adequately qualified and experienced actuaries in many developing countries and the problems of international recruitment of these specialists at short notice, the ILO is planning to establish within the Social Security Department, Geneva, an International Actuarial Service to provide quick and efficient services to the needy countries.

43. In addition, it is necessary to mention the ILO's study fellowship programmes funded by the UNDP as well as from ILO's Regular Budget resources, to aid social security executives in the developing countries who are responsible for planning of their schemes as well as in varied operational aspects of their schemes. These fellowships are valuable, although they cannot replace the long periods of practical study into techniques, management, accounting and other aspects, which need to be mastered by officials in developing countries to become competent executives in social security. Invariable, such national expertise is developed through close working collaboration established with international experts who are assigned to assist the countries in specific areas.

SOME CONCLUDING REMARKS

Over the years, ILO's policies and programmes in the field of social security through its standard setting, research, and technical cooperation activities have been geared to help the developing countries including those in Asia, in planning and implementation of social security progra-

mmes consistent with their economic and administrative capacities. Within Asia, some of the problems connected with planning and implementation of social security programmes are unique. To respond to these special problems the approaches to ILO's policies and programmes are also periodically reviewed * and decided at regional forums.

There is an unmistakable trend visible in many developing countries in Asia for diverse departments and national agencies to participate in social security planning. In the discussions and dialogues at the national level which normally precede the introduction of social security programmes, it is customary for representatives of both employers and workers to take an active part. Such tripartite participation even at the initial stages of formulation of schemes has proved to be useful; problems and issues are clarified and understood by all parties and when once the social security schemes become operational, the tripartite co-operation will be based on informed participation.

* For instance, in a Resolution concerning Social Security Development in Asia, the Sixth Asian Regional Conference of the ILO held in Tokyo in 1968, suggested a series of measures for further development of social security in the developing countries of the region.

APPENDIX—I

LIST OF SELECTED ARTICLES ON SOCIAL SECURITY PUBLISHED RECENTLY IN THE INTERNATIONAL LABOUR REVIEW (ILR)

Author	Title of article	Date of publication -
Creutz, H.	"The ILO and social security for foreign and migrant workers."	April 1968
Paukert, F.	"Social security and income redistribution a comparative study"	November 1968
Perrin, G.	"Reflections on fifty years of social security"	March 1969
Mallet, A.	"Diversification or standardisation two trends in Latin American Social Security."	January 1970
Fisher, P.	"Minimum old-age pensions".	July and September 1970
Higuchi, T.	"The special treatment of employment injury in social security".	August 1970
Wedel, J.	"Social Security and economic Integration".	November and December 1970
Laroque, P.	"Women's rights and widows' pension".	July 1972
Lantseve, M.	"Progress in social security for agricultural workers in the USSR".	March 1973
Roemer, M.I.	"Development of medical services under social security in Latin America".	July 1973
Leal de Araujo, L.	"Extension of social security to rural workers in Mexico".	October 1973
Veldkamp, G. M. J.	"Coherence of social security policy".	November 1973
Mathew, T. I.	"Social Security for the rural population in India".	October 1973
Rzhanitsina, L.	"Public consumption funds in the USSR".	December 1973

- Godfrey, V. N. "Broader role for national provident funds : the Zambian experience". February 1974
- Higuchi, T. "Medical care through social insurance in the Japanese rural sector". March 1974
- Macleod, G. K. "Health maintenance organistions in the United States". October 1974
- Alonso olea, M. "Prevention and compensation of employment injury in Spanish legislation". May 1975
- Belberg, S. M. "Social Security and women : a partisan view". December 1975
- Chiarelli, C. A. G. "Social Security for rural workers in Brazil". March-April 1976
- Tamburi, G ;
and Mouton, P. "Social security indicators". September and October 1976

APPENDIX-II

ILO ASSISTANCE TO DEVELOPING COUNTRIES IN ASIA AND THE PACIFIC IN PLANNING, DEVELOPMENT, AND CONSOLIDATION OF SOCIAL SECURITY PROGRAMMES-SOME TYPICAL EXAMPLES

Country	year	Specific nature of assistance from ILO
Afghanistan	Feb-March 1964	Expert assistance under ILO's Regular Programme of Technical Assistance to carry out a preliminary survey with a view to establishing the degree of priority among the various social security measures contemplated by the Government, within the framework of the country's economic and social policies and taking into account financial and administrative possibilities.
Burma	March-April 1952	(i) Expert assistance (in social security planning and in social security actuarial advice) to the Government in drawing up social insurance scheme suited to the national and economic circumstances of the country ;
	Aug.-Dec. 1953	(ii) Expert assistance in preparation of draft legislation and administrative plans for implementation of social security scheme in the country;
	Feb.-June 1954	(iii) Expert assistance in preparing a modest social security scheme to provide medical care and cash sickness benefits to non-agricultural employees in Rangoon or in one of two other cities; the scheme was intended to be gradually extended on the basis of experience gained in the implementation of the initial programme;

Country	Year	Specific nature of assistance from ILO
Burma (Contd)	March-Aug. 1955	(iv) Expert assistance to the Government in the implementation of the Social Security Act of 1954 ; to advise on the administration of the law during the early stages of operation of the scheme; to develop bases for further extensions of the scheme ; and to analyse the financial and actuarial problems of broadening the scope and coverage of social security scheme in the country ;
	July 1955-June 1956	
	Nov. 1956-May 1957	
	Aug-Nov. 1957.	
	Nov. 1962-Aug. 1963	(v) Expert assistance to undertake actuarial valuation of operations under the social security scheme ; to advise on the steps required for substantial extension of the scheme to additional sections of the population ;
	Aug-Sept. 1974	(vi) Technical advice to solve operational problems as well as advise on the introduction of a comprehensive pension scheme including the administrative requirements and the possible use of data processing techniques ;
	Sept-Oct. 1976	(vii) Technical advice on administrative and financial re-organisation of the social security scheme ; advise on finalising the pension programme preparatory to the future introduction of that branch of social security ; and help in determination of the nature and pattern of technical assistance inputs connected with the launching of the pension insurance scheme.

Country	Year	Specific nature of assistance from ILO
India	1945-1946	(i) Expert assistance in reviewing a scheme on health insurance for industrial workers designed by a national expert and to finalise it in light of social insurance principles and practices adapted in other countries. The efforts of the national expert and ILO specialists assigned to assist the Government resulted in the Workmen's State Insurance Bill 1946' which was passed by the Dominion Legislature in April 1948 as Employees State Insurance Act 1948 which in turn gave the legislative base of the Employees State Insurance Scheme of India which was implemented in 1952 onwards ;
	Sept. 1972-Mar. 1953	(ii) Expert advice on the administrative and organisational aspects of the Employees State Insurance Scheme including the development of a panel system, and designing of training programmes for E. S. I. Corporation.
	June-Aug. 1967	(iii) Expert advice on the feasibility of introducing an unemployment insurance scheme.
Iran	May-June 1971	(i) Expert advice on the incorporation of family planning care within the medical services of the social insurance organisation
	Oct. 1969-June 1971	(ii) Expert advice on the legislative and administrative aspects of a programme of providing rural social security to rural population ;

Country	Year	Specific nature of assistance from ILO
Iran (Contd)	Nov.-Dec. 1972	(iii) Expert advice on the planning of an unemployment insurance scheme in the country ;
	July-Dec. 1974	(iv) Expert assistance in undertaking indepth studies and research to identify the essential components of an unemployment benefit scheme and to elaborate an outline of the scheme ;
	June 1975-Continuing	(v) Expert assistance to the Government on determination of policy and planning of a comprehensive social security programme designed to provide insurance coverage to practically the whole population in the country :
	April 1976	(vi) Expert assistance to the Government in the introduction of an unemployment insurance scheme.
Indonesia	Sept. 1952-Feb 1953	(i) Expert assistance to undertake a survey of the existing conditions and needs in the social security field and to prepare short-term and long-term programmes of social security for consideration of the government ;
	April. 1957-Mar. 1958	(ii) Expert assistance in the implementation of the voluntary sickness insurance scheme ; to advise on the setting up of a compulsory social insurance scheme based on the voluntary sickness insurance scheme ;
	October 1969	(iii) Advice to the Government on social security planning ;
	Dec. 1973-April 1974	(iv) Expert assistance to draft rules and regulations for the establishment and administration of an employment injury insurance fund ;

Country	Year	Specific nature of assistance from ILO
Indonesia	Jan.-March 1974 (contd)	(v) Assistance in the establishment of actuarial cost estimates for the Employment Injury Insurance Fund and advise on the financial organisation of the scheme ;
	June 1974	(vi) Sponsored from ILO's Regular Budget, a Tripartite Study mission by a five-man team from Indonesia consisting of representatives of the Social security Fund, the BAPPE-NAS (National Planning Commission), the Employers Organisation and Workers Organisation, to observe the working of operational programmes of social security long-term benefit programmes in the Philippines and Egypt and to receive technical orientation in ILO Regional Office Bangkok, and in Geneva. This study team played a key role in subsequent planning exercises undertaken in Indonesia in the social security field ;
	July 1975	(vii) Expert assistance to the Government in reviewing the planning efforts of the Government Department in social security and to assist the Government in drawing up its priorities in programme development, including preparation of a draft UNDP/ILO project document for technical assistance in the field ;
	November 1976	(viii) Expert assistance in finalising the project document and to undertake preparations for the launching of project activities.

Country	Year	Specific nature of assistance from ILO
Republic of Korea	Oct.-Nov. 1969	(i) Expert assistance along with the WHO, to explore the possibility of introduction of a sickness and maternity insurance scheme for employees ;
	July-Aug. 1973	(ii) Expert consultative services to the Ministry of Health and Social Affairs in the Planning and formulation of the national welfare pension scheme and to provide advice on legislative and management aspects of the scheme ;
	Jan.-April 1974	(iii) Expert assistance to review the draft legislation on the ' National Welfare Pension Scheme and to prepare rules, regulations and procedures for the administration of the scheme;
	Nov. 1973-Jan. 1974	(iv) Advice to the Government on the actuarial aspects of the National Welfare Pension Scheme:
	Jan.-Feb. 1975	(v) Technical advice to review the plans for implementation of the National Welfare pension Scheme.
Malaysia	July 1959-Jan. 1960	(i) Expert assistance in reviewing the existing social security and related programmes and to advise on the feasibility of instituting social insurance schemes to meet certain common economic contingencies, notably those of unemployment, sickness and maternity.
	Mar. 1970-Feb. 1973	(ii) Expert assistance to the government in the administrative and training aspects of the social security scheme (providing employment injury and general invalidity benefits) launched in 1971.

Country	Year	Specific nature of assistance from ILO
	May-June 1974	(iii) Technical advice on streamlining the administrative procedures of the social security scheme;
	August 1975-continuing	(iv) Expert assistance in the re-organisation of the Social Security Organisation and to advise on computerisation of main administrative processes and organisation of staff training programmes;
	September 1975-continuing	(v) Expert assistance in establishing legislative base for a social insurance scheme providing medical care, maternity, sickness, old-age and survivors benefits and to advise on the methods of extending social security coverage to farmers and fishermen, including self-employed workers.
Pakistan	Sept.-Nov. 1952	(i) Expert assistance in assessing the feasibility of introducing social security schemes in the country;
	July 1957-June 1958 Nov. 1957-April 1958	(ii) Expert assistance in the field of social security legislation and medical care, to assist the Government in the planning of a social security programme including drafting of legislation;
	Oct.1964-Mar. 1966 Oct.1964-Jan. 1967	(iii) Expert assistance in the fields of social security administration and social security accounting, to the Government in the implementation of the social security scheme in Pakistan ;
	February 1969	(iv) Technical assistance to review the operation of the social security scheme in West Pakistan and to explore the prospects of implementation of a social security scheme in East Pakistan;

Country	Year		Specific nature of assistance from ILO
Pakistan (Contd)	Mar.-April 1970	(v)	Expert advice on amendments of legislation regarding social security scheme in West Pakistan and to review the plans of East Pakistan Government regarding the introduction of a social security scheme ;
	Nov.-Dec. 1973	(vi)	Advisory assistance in the planning of an Employees old-age pension scheme; technical assistance to the Government in re-organisations of administrative structure of existing scheme.
	Nov. 1974-July 1975	(vii)	Expert assistance to the Government in the preparatory work on the implementation of a consolidated social security scheme providing both short-term and long-term benefits including pensions ; preparation of training programmes for key personnel of the social security institutions; assistance in drafting of consolidated legislation in respect of all branches of social security in operation as well as for the proposed pension scheme ;
	July 1975-Feb.1976	(viii)	Expert assistance to the Government on the further planning and development of medical care services provided to insured population through the social security programme; advise on the establishment of appropriate administrative and operational relationships amongst the provincial social security medical care services and the personal health services of the public health sector ;

Country	Year	Specific nature of assistance from the ILO
	Oct. 1975-Oct.1976	(ix) Expert assistance in establishing actuarial estimates and in deciding on the financial organisation of the proposed pension scheme ; actuarial valuation of the existing social security scheme.
Philippines	June 1961-Mar. 1962	(i) Expert assistance in undertaking an actuarial study of the working of the Social Security System implemented in the Philippines (which provides protection against sickness, old-age, disability and death) and to provide recommendations for further extension of the benefit range of the scheme ;
	July-Aug. 1971	(ii) Technical advice on the improvement in the Workmen's compensation legislation; review of the operations of the Social Security System, and to explore the feasibility of introducing an unemployment insurance scheme;
	Oct.-Nov. 1972	(iii) Expert advice on the drafting of Workmen's Compensation Legislation;
	Feb.-April 1974	(iv) Expert assistance on the legislative and administrative aspects of the Employees' Compensation and Insurance Fund ; advise on administrative aspects of the Social Security System;
	July-August & Sept.-Nov. 1974	(v) Technical assistance to undertake the actuarial and financial study of the Employees' Compensation and State Insurance Fund.

Country	Year	Specific nature of assistance from the ILO
Singapore	Oct. 1955-Sept. 1956	(i) Expert assistance in reviewing the then existing measures of social security and to formulate proposals for the introduction of new measures aimed to eliminate gaps and deficiencies in social security, with a view to eventually producing a comprehensive and rationally integrated system of social security in Singapore ;
	Dec. 1958-July. 1959	(ii) Expert assistance in drafting the principal legislation for the proposed social insurance scheme, covering cash sickness and maternity benefits and replacing the provident fund by old-age and survivors insurance assistance to government in preparing the administrative arrangements for the social insurance programme ;
	Sept. 1967-Feb. 1968	(iii) Expert assistance in examining the feasibility of introducing an unemployment insurance scheme ; advice on the evolution of a long-term programme for the implementation of a Social Security Scheme ;
	October 1969	(iv) Technical review of the plans of the Government in regard to implementation of social security scheme, following the assistance provided during 1967-68.
Srilanka	Oct.-Dec. 1965	(i) Expert advice to the Government to review the then existing measures of social security, and to indicate the bases for the possible introduction of a social insurance scheme in the country ;

Country	Year	Specific nature of assistance from the ILO
Sri Lanka (Contd)	July 1968-July 1970	(ii) Expert assistance to the Government in the preparation of social insurance bill; further assistance in the preparations for the implementation of the scheme, including drafting of rules and regulations, training and instruction manuals for the staff;
	Jan-Feb. 1976	(iii) Expert assistance in reviewing the working of the Employees Provident Fund; study of the feasibility of providing unemployment and sickness benefits within the framework of the employed provident fund, and the possibility of extending the benefits of the fund to agricultural, seasonal and casual workers.
Thailand	Oct. 1955-Jan. 1956	(i) Expert assistance to advise the Government on the steps necessary for the implementation of the Social Insurance Act passed in Thailand in February 1954;
	Sept. 1957-July 1958 Jan-May 1958	(ii) Expert assistance to establish coordination of administration of Social Security Scheme with the programmes of protection for industrial injury, maternity and sickness embodied in the Labour Act. of 1956; advise on the organisation of medical care.
	Feb-Dec. 1961	(iii) Expert advice on the formulation of a comprehensive social insurance programme; advice on the legislative and administrative aspects of such a programme;
	July-August 1970	(iv) Expert advice on the Governments plans for the proposed introduction

CONCLUSIONS AND RECOMMENDATIONS

First Session

The participants while commenting on the paper by Dr. Mathew stressed the importance of participation by diverse departments and national agencies and tripartite participation at the initial stages of formulation of Social Security Schemes.

Dr. Mathew had emphasized the tangible contributions, which are apparently designed and implemented in social security programmes, could help capital formation and economic development. In this context, he explained the necessity to lay down tight and well defined criteria for investment of social security resources to insure that workers benefit from the programme and the national authorities handle the resources judiciously. The participants also highlighted the importance of social security programmes as an excellent remedy for income redistribution.

Based on the general discussions, the session adopted the provisional recommendation as follows :

This session considered the paper on the concepts, methods and programmes of social security with particular reference to the ILO's role and activities in promotion of social security programmes in developing countries of Asia and recognised the need for institutional arrangement and policy decisions with regard to planning and implementation of a system of social security for Bangladesh. However, this would depend on locating the nature of actual problems of the country and the means of solving it, on which there should be more research and studies.

SECOND SESSION

TRENDS AND PROBLEMS OF SOCIAL SECURITY IN
DEVELOPING COUNTRIES IN ASIA

BY
K. THOMPSON

Regional Adviser on Social Security, ILO Regional Office for Asia, Bangkok.

I. INTRODUCTION

1. The purpose of this paper is to describe the major trends and problems of social security in developing countries in the Asian region. The social security situation is diverse and it is intended to identify the main features rather than to analyse all aspects exhaustively ; however, some relevant information on social security schemes and their structure is set out in appendices for reference, and is referred to as necessary in the text.
2. A full understanding of the present social security programmes and the perspective for their future development requires some knowledge of the origins and methods of evolution of these systems of social protection. Accordingly, these aspects are described in the first sections of this paper, followed by a review of the most significant trends and problems of social security in the developing countries of the Asian region.

II. ORIGINS OF SOCIAL SECURITY IN DEVELOPING COUNTRIES

3. Social security may be defined as the protection given by society to its members, or various categories of them, through a series of public measures from the economic distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age, and death ; for providing medical care to these groups in the population, and also for subsidising families containing a number of children.¹

¹ For a full description of conceptual aspects reference should be made to the Basic paper under topic (a), "Introduction on Concepts Methods and Programmes of Social Security with particular Reference to ILO's Role and Activities in promotion of Social Security in Developing Countries of Asia" by Dr. T.I. Mathew.

unskilled labour, the mills and factories, constituting an important element in the drive for economic development, need more permanent and skilled reservoir of workers. They can ill afford to train personnel and have them return to their villages after a year or so. It is indeed vital to the industrialisation process that workers become attuned to modern system of production rather than the pattern of the agricultural communities they have left. It is also too well known to need emphasis that satisfactory levels of industrial production and of labour productivity have to be reached and maintained, which calls for, inter alia, a stable, well motivated and healthy work force. The fact that social security systems can play an important role through income maintenance programmes and medical care schemes is a strong inducement for governments to introduce them.

8. In this sense, the interests of Governments, employers, and workers coincide. Government concerned with social and economic development, employers wishing to promote conditions leading to higher productivity, and trade unions seeking solutions to the major pressing problems of workers, all recognise the effectiveness of the social security mechanism. In any case, employers already bear a measure of responsibility for their employees through recognised legal obligations in the event of injury or death at work. In the larger companies and state enterprises conditions of service are progressively improved to cover a number of contingencies. It is a natural step to extend these types of occupational benefits on a wider basis so that they are not linked to employment in a particular company, but are available through a general scheme. This is both more equitable and a contribution to the free movement of labour, for instance from declining to expanding industries. Another important factor in the evolution of social security schemes is the example set by the civil or public services, which almost invariably have a pension scheme of their own and enjoy various other forms of social protection in advance of what is generally available in the private sector.

III. DEVELOPMENT OF SOCIAL SECURITY SCHEMES

9. The decision to have a social security scheme and to apply it to workers in the modern organised sector brings up the question of which contingencies should be covered. This is a matter related to

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4. Amongst the developing countries not only in Asia but in other regions of the world, it has long been widely recognised that social security protection, shown by long experience in Europe and elsewhere to be an effective instrument of social progress, is a right of their populations.² Whilst Governments have in mind the long-term objectives of complete and universal social security scheme, they do not attempt to introduce such ambitious programmes immediately, but instead adopt a policy of gradual and progressive development. The need for a gradual policy is dictated by various reasons such as the lack of physical resources for health programmes, the level of economic development, and administrative limitations. This is not to say that social security programmes are to be regarded simply as an economic burden, or that the slow progress of evolution and patterns of development of the original social security schemes in Europe should be the accepted standard today. Whilst a degree of economic development is necessary for social development, there is a widespread recognition that social and economic progress must be closely combined.³ As factors in both social and economic development, properly designed social security schemes have an important role to play in developing countries.
5. Therefore Governments wishing to initiate social security programmes have to decide a number of major questions in order to frame their policy. They must determine which groups in the population should benefit, and to what extent their needs can be met within the existing physical financial and administrative constraints. One step of fundamental importance taken by many Governments is to make the national health services free to the population as a whole or at least to those with low incomes. In considering other steps many factors have to be taken into account, not least those relating to the social, demographic and economic situation.

² Example of national constitutions conferring rights to social security are provided by India and Burma.

³ This was expressed in an address to the Board of Governors of the World Bank Group on 25.9.72 by Robert S. McNamara when he declared that an issue central to the success of the Second U.N. Development Decade was that of "the critical relationship of social equity to economic growth" (Quoted in "Social Security in Africa" ILO Geneva 1975).

6. The evolution of social security programmes in developing countries in Asia and elsewhere has been given its main impetus by the conditions existing in the organised sector of employment as the process of industrialisation gets under way. The new generation of workers, many of whom left rural areas in search of adequate employment, rely solely or mainly upon their wages for the support of their families and themselves. Living in usually over-crowded cities and towns, generally ill equipped to cope with the influx of persons from rural areas, there is little or no chance to duplicate the village pattern of a plot of land on which to grow food and keep livestock, which would provide a buffer in times of need. Given the extent of unemployment and underemployment in developing countries,¹ wages in some sectors and grades of employment, particularly for unskilled personnel tend to be low.² There is no possibility of saving adequate sums or taking out insurance, against the risks and hazards which can interrupt or terminate a workers' incomes. Since the systems of mutual aid prevalent in the rural communities do not exist to the same extent amongst the urban workers, the latter are greatly in need of alternative forms of social protection. In this situation, which has existed in most of the developing countries and is still generally applicable today, governments turn to social security measures as the solution to the problem.
7. The concern of Governments and industry itself is related also to the need to build up a trained and experienced labour force in the modern sector. Whilst some industries, such as the construction industry, may operate on a seasonal basis with large proportions of

¹ It has been estimated that in the developing countries of the world about 283m persons are unemployed or underemployed, which is about 40% of the labour force. Of the group about 55 million were in urban areas, representing 31% of the labour force. In the case of Asia, about 30% of the urban labour force was regarded as unemployed or underemployed ("Employment, Growth and Basic Needs: A One-World Problem" ILO, Geneva 1976).

² In some developing countries in Asia although, wages have increased considerably in recent years, consumer prices have risen more sharply resulting in a decline in real wages (1974 Report on the World Social Situation, United Nations).

unskilled labour, the mills and factories, constituting an important element in the drive for economic development, need more permanent and skilled reservoir of workers. They can ill afford to train personnel and have them return to their villages after a year or so. It is indeed vital to the industrialisation process that workers become attuned to modern system of production rather than the pattern of the agricultural communities they have left. It is also too well known to need emphasis that satisfactory levels of industrial production and of labour productivity have to be reached and maintained, which calls for, inter alia, a stable, well motivated and healthy work force. The fact that social security systems can play an important role through income maintenance programmes and medical care schemes is a strong inducement for governments to introduce them.

8. In this sense, the interests of Governments, employers, and workers coincide. Government concerned with social and economic development, employers wishing to promote conditions leading to higher productivity, and trade unions seeking solutions to the major pressing problems of workers, all recognise the effectiveness of the social security mechanism. In any case, employers already bear a measure of responsibility for their employees through recognised legal obligations in the event of injury or death at work. In the larger companies and state enterprises conditions of service are progressively improved to cover a number of contingencies. It is a natural step to extend these types of occupational benefits on a wider basis so that they are not linked to employment in a particular company, but are available through a general scheme. This is both more equitable and a contribution to the free movement of labour, for instance from declining to expanding industries. Another important factor in the evolution of social security schemes is the example set by the civil or public services, which almost invariably have a pension scheme of their own and enjoy various other forms of social protection in advance of what is generally available in the private sector.

III. DEVELOPMENT OF SOCIAL SECURITY SCHEMES

9. The decision to have a social security scheme and to apply it to workers in the modern organised sector brings up the question of which contingencies should be covered. This is a matter related to

the social situation and demographic characteristics of the group concerned. One of the outstanding features of the labour force in developing countries in Asia is the predominance of younger persons. Female employment in the modern organised sector is almost non-existent in some countries but in others is quite significant. Due to rising birth rates and improved medical care for older persons the number of dependents is quite high. Almost without exception the prime importance of a system of compensation for industrial accidents, comprising both cash and medical benefits, is recognised. This is relatively inexpensive and usually is accompanied or quickly followed by provisions for other contingencies. The choice generally lies between action regarding the immediate day to day hazards which affect incomes, such as sickness and maternity, or those of a long-term nature concerned with old age, permanent invalidity and death. The position in developing countries in the region is that they have tended to make provision first for the shortterm contingencies of sickness and maternity. This choice has been dictated by two main factors—firstly, the priority needs of the workers concerned who, with their low average age, are more interested in their current rather than their future economic problems, and, secondly, the availability of methods of meeting these needs.

10. There are four main methods of providing statutory social security protection. Programmes may be made entirely the employers' responsibility in that they legally bound to meet the costs and to give the benefits directly to those of their workers who qualify : these are called **employers liability schemes**. Often such schemes are converted after some time into **social insurance systems** which have the advantage of a central fund organised on the principle of the pooling of risks and finances. The third type of scheme is the **statutory provident fund** which lacks the insurance element being merely a collection of individual and entirely separate accounts. The fourth method is a **non-contributory scheme** which affords income protection from public funds.
11. A summary of the position in developing countries in Asia and the South Pacific as regards measures of income protection is given in Appendix I. This lists the contingencies covered and the type of scheme in force. It will be seen that all four methods are in use. Since the choice

of system has a decisive effect on the standards of social protection which can be achieved, it is necessary to examine the effectiveness and shortcomings of each one.

Employers Liability Schemes

12. As indicated in Appendix I, the employer liability method is extensively used for employment injury (a term which has replaced "workmen's compensation"), sickness and maternity. The contingencies are of an essentially short-term nature for which action is more feasible than the long-term contingencies of old age, permanent invalidity and death of the breadwinner. Governments have enacted legislation placing the necessary obligations upon employers to give paid leave in respect of sickness and maternity, and to provide medical and cash benefits in the event of work-connected accidents or the contracting of occupational diseases. The preference for the employer liability method may be due to the ease of implementation, compared with the task of organising more elaborate schemes. Governments have been able to make a greater impact on the problem of industrial accidents than was possible through the Civil Law. Well designed and properly enforced employer liability schemes can achieve worthwhile improvements in the position of employees. Even so, such are the limitations of employer liability systems that they can only be regarded as a transitional stage in the development of social security schemes.
13. The limitations are evident in the short duration of sick leave (such as 14 days in Malaysia) and maternity leave (6 weeks in the Philippines), but more particularly in the deficiencies of Workmen' Compensation Schemes. In the first instance, these schemes usually apply to only a proportion of the work force facing the risks of employment accidents and occupational diseases. Usually the legislation was framed with only manual workers in mind, and categories of non-manual employees are included only if they are earning less than prescribed amounts. An example is provided by the scheme in Hong-Kong, whereas in Sri Lanka there is an earnings limit of 500 rupees per month for both categories of workers, although of course the receipt of higher remuneration in no way diminishes the risks of the employment. Secondly, the contingency itself is defined in a very limited way, natural to its legalistic background. The phrase "arises

out of and in the course of the employment" would if not amplified and liberalised in its interpretation, seriously restrict the impact of the legislation and leave the victims and the dependants in a weak position. Thirdly, the schemes do not meet the expectations of the injured worker for adequate medical care and all necessary measures to restore his health and earnings ability to the maximum possible extent. Fourthly, the financial compensation usually is set at inadequate levels and is not increased in line with rises in the cost of living or in wages. Another important criticism is that lump sum cash benefits for serious disablement and death are not in the best interest of the recipients because of tendencies to spend the money quickly; pensions, which are not to be expected in an employer liability scheme, are recognised as a much superior form of social protection.

14. Although reputable employers set exemplary standards in meeting their legal obligations under Workmen's Compensation Schemes, and also in supplementing the benefits due to employees, the deficiencies in the letter of the law are compounded by the spirit in which it is implemented throughout industry as a whole. Even modest schemes encounter evasion by non-disclosures of accidents and the payments of no compensation or of lower amounts than are prescribed. When employer liability schemes are converted into social insurance systems, usually there is a marked increase in the number of reported accidents, attributable in part to the removal of the direct financial restraints on compliance with the law. A worker injured, and possibly, disabled as a result of an accident at work may be so dependent upon the goodwill of his employer that he is deterred from fully asserting his rights to compensation if the former decides to contest the case. This is particularly true in the serious unemployment situation prevailing developing countries and where workes are not organised into trade unions. In fatal cases, dependants may face great difficulties in the event of opposition to their claims, especially where legal aid facilities are inadequate. Considerable delays can occur, causing hardship, and in such circumstances some cases may be settled privately on terms unfavourable to the claimants. Where the Courts become involved automatically under the terms of the legislation, as in death cases the legal procedures usually are long drawn out, placing the dependants in financial difficulties. There is also the danger of the insolvency of the employer, when liable for sums equivalent to 3 or 4 years wages, which would result

not only in reduced or no compensation but the loss of employment for all of the workers in the company. Insurance on a voluntary basis is not the general answer to the problem because the financially weaker companies tend to avoid such expenses. Compulsory insurance would not lead to the necessary all round improvement of the workers position because of the retention of a significant proportion of financial resources by the insurance companies and also their tendency to resist claims in the interests of profitability.

15. Similar problems exist also with legislation on sick and maternity leave, resulting in a proportion of workers being deprived of part or all of their entitlement. In the case of maternity, female workers may face dismissed or refusal to reinstate after the confinement.
16. The main cause of the serious deficiencies of employer liability schemes is the financial burden and risk born by employers either directly or through commercial insurance. Even large companies if in hazardous sectors of industry, may be seriously concerned about the extent of their possible liability in respect of work connected accidents or diseases; smaller companies operating with limited capital have inadequate margins to meet heavy payments. Consequently, the schemes are framed within severe constraints to avoid excessive costs falling upon employers. It is not possible therefore for employer liability systems to attain satisfactory standards of social protection. Many countries including those with developing economies, have converted employer liability programmes into social insurance systems which by the sharing of risks and the pooling of financial resources are able to set higher objectives in respect of the contingencies of employment injury, sickness and maternity. The extent of this pronounced trend is evident from Appendix I. The latest countries to convert employer liability systems for employment injuries were Indonesia and the Philippines; the same step in respect of employment injuries, sickness and maternity may be taken by other countries in the near future.¹

¹ Some details are given in Appendix II of the Basic paper on topic(a) "Introduction on Concepts, Methods and programmes of Social Security with particular Reference to ILO's Role and Activities in promotion of Social Security in Developing countries of Asia" by Mr. T. I. Mathew.

Social Insurance Schemes

17. The effectiveness of social insurance principles was recognised by the Income Security Recommendation (No. 67 of 1944) which declares that "Income security should be organised as far as possible on the basis of compulsory social insurance, whereby insured persons fulfilling prescribed qualifying conditions are entitled, in consideration of the contributions they have paid to an insurance institution, to benefits payable at rates, and in contingencies defined by law." There are a number of social insurance schemes in force primarily for the shorter-term contingencies, which have attained significantly higher standards of social protection than the employer liability schemes which they replaced. Sick and maternity leave usually is of greatly increased duration,¹ although as a matter of policy the cash sickness benefit is at a lower rate than when paid by employers.² The centrally organised employment injury schemes apply to more categories of workers, have more liberal definitions of accidents, better medical benefits including rehabilitation of disabled or injured employees, and superior cash benefits extending to pensions, all without necessarily raising costs to any significant extent.
18. The financial systems have a dynamic element in the assessment of contributions as percentages of earning³ which ensures that cash benefits are maintained at a desired proportion of recent wages and salaries. When there are large scale pension programmes, problems can occur in maintaining the value of the pension, but this stage
-
- ¹ Sick leave in Burma, India, Pakistan and the Philippines in a period of a year is respectively 26 weeks, 56 days, 121 days and 120 days with provision for extended periods in India and Pakistan. Maternity leave is of 12 weeks duration in Burma, India and Pakistan.
- ² In Burma, India and Pakistan, sickness benefit is 50% of average earning, according to wage-classes. In the Philippines, it is at the rate of 85% of recent earnings, according to wage-classes.
- ³ Details of financial arrangements are given in Appendix III.

has not been reached in the developing countries of the region; ¹ however, the rising cost of medical care does pose financial difficulties, since the medical branch is the most expensive in the type of scheme found in Burma, India and Pakistan which may have helped to restrict their growth. Sickness schemes also are confronted with the problem of malingering which, if effective controls over certification are not applied, can cause financial losses as well as have some adverse effects on production.

19. Although there are indications of improvements in the situation, the expansion of the social insurance schemes in respect of the contingencies covered and the persons protected generally has been on a smaller scale than anticipated. There has been as yet only very limited development of long term benefits for old age, permanent invalidity and death of the breadwinner, whilst the existing schemes have a restricted application to workers, usually by excluding those in the smaller establishments. ² More important in a numerical sense is the failure or inability to extend social protection to those independent traders and self-employed persons, whose incomes are low and vulnerable to interruption due to social security contingencies, domestic workers, and, above all, workers in agricultural and associated pursuits.
20. Some statistics on the growth of membership on social security schemes are given in Appendix IV. It may be significant that the schemes providing extensive and direct medical care have experienced a relatively slow rate of expansion, the national shortage of doctors and medical facilities being compounded by maldistribution in favour of heavily populated centres, constituting a severe constraint on efforts to expand operations. ³ Lack of trained administrative personnel has proved to

¹ Old age pensions in the Philippines schemes for the private sector recently were increased by 15 % without raising additional finance.

² The scope of coverage of persons is described in Appendix II.

³ See Appendix V for information on hospitals and health personnel; the figures for Japan provide a standard by which to measure overall shortages in other countries.

be another handicap. In the rural sector the techniques by which the modern organised sectors of industry were assimilated have been applied to plantations, but are not suitable for the more traditional economic activities in agriculture. Until alternative methods of social insurance can be devised, there can be little prospect that the great majority of employed persons in developing countries ¹ can be given the forms of social protection which they undoubtedly need.

National Provident Funds :

21. As shown in Appendix I national provident funds exist in Fiji, India, Malaysia, Singapore, Sri Lanka and Western Samoa. Those in Asia are of long standing, having started in the 1950's, and now have relatively large memberships ² and possess funds of considerable magnitude. In the developing countries in Asia these schemes are at present the main form of financial provision for retirement, permanent incapacity for work, and survivorship. The salient features of the provident funds are that the benefits due on the occurrence of the major contingencies of old age, permanent invalidity and death of the breadwinner consist only of the contributions made by the individual members and their employers, usually plus compound interest, and that they are paid in the form of single lump sums. There is no sharing of risks and pooling of financial resources which in a pension scheme ensures that the benefits correspond as closely as possible to the social needs of the recipients. For example, if after a few years an employee becomes permanently incapable of work he would receive a lump sum equivalent to some months wages, whereas a properly designed pension scheme would make periodical payments of a proportion of his recent earnings for the rest of his life, followed by pensions to his survivors. The provident fund balance at the time of retirement may be less than anticipated at the start of mem-

¹ The proportion of the population living in rural areas can be discerned from Appendix VI.

² Exact and up-to-date figures of active members are not available, but it is understood that the National Provident Funds in India have about 5 million members, in Malaysia 2.25 millions and Sri Lanka just over 1 million.

bership due to the effects of periods of unemployment and of inflation. In any case, some provident funds allow the earlier withdrawal of all or part of the members credit¹ which effectively reduces the extent of the protection given on the occurrence of the prescribed contingencies. Another serious weakness is the system of lump sum payments since it is not reasonable to suppose that workers, the majority of whom have been accustomed to low wages necessarily will be competent to manage capital sums; in fact, the general experience is that the sums are quickly spent leaving the worker and his dependants without adequate means of support.

22. The comprehensive deficiencies of provident funds as systems of social protection have caused general concern, but as yet only India has taken definite steps to rectify the situation by introducing the Family Pension Scheme in 1971 intended to provide periodical payments to survivors.² Even so, this does not apply to the entire membership of the Employee's Provident Fund and the Coal Mines' Provident Fund since it was not compulsorily applied to existing members. The fact that the Family pension did not attract the established participants in the provident fund³ illustrates the difficulty of transforming the latter into pension schemes since public support is necessary for the fundamental change which is involved. Another possibility

¹ In Singapore the full amount may be withdrawn to purchase approved housing accommodation, in Malaysia upto onethird can be claimed at age 50, whilst amongst several reasons for obtaining advances from the Employees' Provident Fund in India are the financing of life insurance policies, the purchase of a house or land for building a house, childrens education and daughters marriages.

² See Appendices II and III for details of the scope and financial system of the Employees' Family Pension Scheme.

³ In the Employees' Provident Fund of 4,400,173 members in unexempted establishments on 31.3.74, just over one quarter or 1,133,000 were members of the Family Pension Scheme. In the Coal Mines Provident Fund about 52% opted to join at the inception of the Coal Mines Family Pension Scheme.

under consideration in some countries is the introduction of annuities¹ which would overcome the problem of lump sum payments, but still not effect the basic change to social insurance principles. Of more significance is the trend towards the introduction of pension schemes as manifested by the promulgation of the necessary legislation in the Republic of Korea and the advanced planning of this important step in other countries.

Non-Contributory Benefit Schemes

23. There are various types of non-contributory benefit schemes in developing countries in Asia, notably the public health services; there are various schemes making cash payments in emergencies, in respect of destitution or in certain contingencies such as old age which help to fill gaps in existing social security programmes, and therefore may be regarded as transitional in nature. Examples are Hong Kong, which provides standard non means-tested allowances for severely disabled persons and for persons aged 75 or over, and Sri Lanka which has a wide range of public assistance allowance.² Nevertheless, considering the general inadequacy of public funds for social services, there is little prospect that non-contributory cash benefits can attain any real measure of importance in the developing countries of the region.

IV. SOCIAL SECURITY PERSPECTIVES IN DEVELOPING COUNTRIES IN ASIA

24. In general, apart from the advanced countries, it is evident that social security is in the relatively early stages of development in the Asian region. This is shown by the prevalence of the unsatisfactory employer liability systems, the limited provision for long-term contingencies, and the restricted scope of social insurance schemes in terms of the categories and numbers of protected persons. Another indication is given by the information in Appendix VII on the distri-

¹ This has occurred on a voluntary basis in the Fiji National Provident Fund.

² In Sri Lanka in 1973 over 180,000 persons received a total of over 22 million rupees.

bution of social security expenditure among different schemes. It can be seen that the broad category "social insurance and assimilated schemes"¹ is in Asian developing countries of lesser relative importance than the public health services and the schemes for public employees. In contrast, the distribution of expenditure in Japan, and, of more relevance, in a few representative developing countries in other regions, shows a much greater emphasis on social insurance and assimilated schemes which is characteristic of well established social security programmes.

25. Nevertheless, the figures in Appendix VII in respect of developing countries in Asia generally are an improvement over the position in the preceding years; further, the progress made since 1971 (for instance through the introduction of social insurance schemes in Indonesia, Malaysia and Thailand, and the expansion of others as indicated in Appendix IV) probably would be reflected in higher proportions of expenditure in the category of "social insurance and assimilated schemes."²

The general perspective for social security development in the region may be gained from the increasing interest and action in this field in recent years both in introducing new schemes and in expanding existing programmes in respect of contingencies and the coverage of persons. There are strong indications that more employers liability legislation will be superseded by social insurance systems, which, in some instance, may extend to the provision of medical care to members, and possibly their dependants. The widely expressed concern with the plight of such low income groups as some categories of self-employed persons, domestic staff and workers in the smallest establishments can be expected to increase the pressure to bring them

¹ "Social insurance and assimilated scheme" includes social insurance, provident funds, employers liability and non-contributory benefit schemes.

² This would also depend upon trends in expenditure on other programmes such as public health.

within the scope of social security schemes. Before other forms of social security development are discussed, it may be opportune, to enlarge upon some of the main problems which would be encountered in achieving these objectives in respect of the short-term contingencies.

26. The main questions which arise concern the availability of the necessary financial, physical and human resources ; where medical care also is to be provided the problems are magnified, and there may be an additional difficulty of overcoming opposition to the establishment of the separate medical service on the grounds that it would detract from the public health programme. In fact, it is the case in developing countries that Government budgets for the public health service are not large enough to absorb all available trained personnel and to utilities. Consequently, the function of social security medical care schemes is to organise the demand and to marshal funds in order to supply the service, advisedly in full coordination with the public health authorities. By thus catering for the medical needs of even a small proportion of the population social security scheme can make valuable contributions in developing countries.¹
27. Even if doctors and para-medical personnel can be recruited, it is still a considerable undertaking to organise and run a medical care scheme, particularly one on the direct pattern which often is adopted in developing countries, the main problems being to obtain suitable premises, hospital beds and adequate finance for the purchase of medicines and to meet running costs ; if dependants are to be included the task is correspondingly harder. In regard to cash benefits, these have to be carefully framed to maintain a reasonable standard of living within the financial constraints. In the case of sickness benefit, it is necessary to guard against possible abuses of the provisions by a proportion of members ; it is usual to set the cash payments at a level which leaves an adequate incentive to return to work when

¹ The rationale for medical care under social security is fully presented in "Personal Health Care and Social Security" Report of a Joint ILO/WHO Committee, WHO Technical Report, Series No. 480, Geneva.

fit to do so, and also to devise a system of controls to ensure satisfactory standards of certification. Nonetheless, difficulties in combating attempts to exploit sickness scheme can persist requiring firm action to curtail expenditure and reduce absenteeism.¹

28. Because of numerous differences in the structure of social security schemes (for example, in the rates and duration of cash benefits), it is extremely difficult to make cost comparisons; with this qualification, study of Appendix III yields a broad impression of the costs of separate employment injury programmes, of combined schemes for medical care, employment injury, sickness and maternity, and of the additional expense when dependants are entitled to medical care. When it is needed to introduce a social security scheme, or a new benefit branch, the costs should be determined by an actuarial study. If the costs of existing employers liability programmes are known (for instance through commercial insurance in the field of Workmen's Compensation), the additional costs of the improved scheme will be identified as an aid to decisions on its feasibility. The next steps are to apportion costs between the participants in the scheme,² and to set up the administrative organisation. In the interests of economy scheme to facilitate operations, it is desirable to have simplified procedures. Bureaucratic tendencies have to be eliminated both as being inimical to the purposes of the scheme and as inflating costs. It is usual for the legislation to place statutory limits or controls on administrative

¹ For example, in the ESIC scheme in India in addition to the system of Medical Referees, it has been necessary on occasion to provide statistical evidence to panel doctors in some areas contrasting the morbidity rate of their patients with that prevailing elsewhere in the country with the result that tendencies to lax certification were diminished.

² Guiding principles for the allocation of costs between the parties involved are summarised in the Basic Paper on topic (a).

expenditure.¹ Another effective form of control is the supervisory function exercised by tripartite Governing Bodies or Advisory Councils of the social security institutions.²

29. Even with the short-term benefits and relatively low per capita contribution rates the financial implications can be of some importance when some hundreds of thousands of workers are covered. However the financial systems are designed to ensure financial equilibrium over a comparatively short period, the reserves being equivalent to several months (up to about 12) average benefit expenditure. Different considerations apply to the employment injury disablement and survivors pensions for which the capital value normally is accumulated at the time the contingency occurs. The social security funds require careful management and it is an important question how the reserves should be invested. The legislation often merely gives the authority to invest but can specify the criteria for the investment of reserves.³

¹ The Social Security Law of the Philippines states ".....of the total yearly collection of contributions and gross income from investments, not more than 12 percent shall be disbursed for salaries and wages, purchases of office equipment and materials ; if operational expenses in any year are less than the maximum amount permissible, the difference shall not be availed of as additional expenses in the following years" (section 25).

² It is necessary to interpret quoted administrative costs carefully since the bases may change on increasing contributions but it may be useful to note that operating expenses in the Philippines were 10.30% and 10.80% of the contributions income in 1974 and 1975 respectively, in the social insurance scheme in India administrative expenditure ranged from a low of 7.5% to a high of 10.4% in a 5 year period, whilst in Pakistan the percentage was of a similar order, also over a 5 year period. Furthermore, the size of the administrative organisation can be gauged from the fact that the Indian scheme had the following ratios of staff to each one lakh of insured persons in the 5 years beginning 1970-71, 190, 192, 182, 177 and 171 respectively.

³ An example of specific criteria is provided by the Social Security Law of the Philippines which includes amongst sources of investment Government securities, direct housing loans to members, credit facilities for short-term loans to members, and low income housing projects.

It is fairly general practice to place most of the reserves in government securities or in investments of a similar nature.¹

30. Financial aspects assume greater importance in pension schemes in which the income from investments is a significant element in the financial system. This may be evident from the Philippines scheme, which has the only pension system amongst developing countries in the region. At the end of 1975 the investments amounted to over 2,915 million pesos earning more than 220 million pesos in that year alone, compared with the contribution income of 520 millions and expenditure on cash benefits for retirement, sickness, disability and death of 148 millions. The basic principles generally considered to be applicable are that the investment of social security funds should meet the requirements of safety, yield and liquidity, and then should be determined by considerations of social and economic utility. It is essential that pension funds should maintain the real value of invested sums and their yield, whilst a high degree of liquidity is a major requirement for the contingency reserves for the short-term benefits. In some countries, social security investment policy is largely determined by the fact that the funds of pension schemes or provident funds are a major source of capital for national development projects.²

31. In the important sector of the long-term contingencies of old age, permanent invalidity and death of the breadwinner, there is a trend to introduce pension schemes, but as yet little change is planned in the character of the national provident funds. The pension schemes

¹ In India the total sum invested on 31.3.75 was Rs. 81,09,53,222.34 as against Rs. 63,00,68,665.80 a year earlier. An indication of the size of the investments is given by the fact that the income from social security contributions in the year 1974-75 was Rs. 63,52,29,595.00. On 31.3.75 approximately 95% was invested in fixed deposits with the State Bank of India.

² The magnitude of resource mobilisation in a nature scheme can be understood from the fact that the Employees' Provident Fund in Malaysia holds over M 3,600 million which it is estimated may be trebled in another 10 years.

now emerging may be of a relatively modest nature appropriate to the financial constraints, but it is essential that they are carefully planned and that the financial systems are sound and kept under periodical review. It is advisable that, concurrently with the introduction of pensions, there should be a programme of expansion into other sectors of industry and other geographical areas in order to achieve the optimum benefits this from important step, and to minimise the possibility of workers failing to qualify for the prescribed financial support when it is needed.

32. There are indications that national provident funds may make changes and improvements in their benefits, extending to insurance elements, but considerable obstacles exist in effecting conversion to pension schemes. One of the major problems is the general lack of understanding of the comparative advantage of pension schemes which calls for action by trade unions as well as the various national authorities which are involved. The present prospect is of only gradual change in the present situation in which generally unsatisfactory standards of social protection prevail in respect of provision for old age, permanent invalidity and death of the breadwinner.
33. Many of the developing countries in Asia have placed in the forefront of their policies, the comprehensive and fundamental improvement of the conditions in rural areas. It has been recognised that the lack of organised systems of social protection in rural communities should be rectified, but a formidable array of problems have prevented effective action.¹ The classical social security system was not designed for such features of the traditional or unorganised rural sector as the intermittent and seasonal character of agricultural work, the non cash element in remuneration, the low paying capacity, and the dearth of suitable institutional bases for the necessary administrative processes. The rural settings in developing countries are extremely variegated which suggests that experimen-

¹ A few rural social security schemes have been launched in other regions; in Asia only Malaysia has a definite programme to devise and introduce social security for farmers and fishermen (see the Basic paper on topic (a) Appendix II).

tation with different systems of rural social security will be necessary. One of the outstanding tasks is to devise new financial structures for social security programmes in rural areas (an exceptionally difficult problem in developing countries), whilst it is obviously of first importance to determine the basic forms of protection which are needed. The strategies for development of rural social security in each country will be closely related to economic progress in urban and rural areas, the strengths and weaknesses of rural institutions, and the implementation of policies of rural development. In spite of the very severe problems, the manifest determination to achieve radical improvements in rural areas can be expected to be expressed in a major and prolonged drive to develop rural social security programmes, thus adding a critically important new dimension to social security in the developing countries in Asia.

APPENDIX-I

**SOCIAL SECURITY CONTINGENCIES COVERED AND TYPE OF
STATUTORY GENERAL SCHEMES OF INCOME PROTECTION*
FOR EMPLOYED PERSONS IN SELECTED DEVELOPING
COUNTRIES IN ASIA AND THE PACIFIC**

EL=Employers Liability, SI=Social Insurance, NPF=National
Provident Fund, N. C.=Non-Contributory

Country	Contingencies Covered					
	Employment Injury	Sickness	Maternity	Old Age	Invalidity	Death of the Breadwinner
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bangladesh	EL	EL	EL	1	1	1
Burma	EL/SI	EL/SI	SI			
Cambodia ²	EL	EL	EL			
China	EL & SI	EL	EL	SI	SI	SI
Fiji	EL	³	EL	NPF	NPF	NPF
Hong Kong	EL	EL	EL	NC ⁴	NC ⁴	
India	EL/SI	EL/SI	EL/SI	NPF	NPF	NPF ⁵
Indonesia	EL/SI	³	EL			
Korea, Republic of	EL		EL	⁶	⁶	⁶
Laos	EL					
Malaysia	EL/SI	EL	EL	NPF	NPF	NPF
Nepal	EL	EL				
Pakistan	EL/SI	EL/SI	EL/SI			
Philippines	EL/SI	EL/SI	EL	SI	SI	SI
Singapore	EL	EL	EL	NPF	NPF	NPF
Sri Lanka	EL	³	EL	NPF	NPF	NPF
Tonga						
Thailand	EL/SI					
Viet-Nam ¹	EL/SI	EL/SI	EL/SI	SI	SI	SI
Western Samoa	EL	EL		NPF	NPF	NPF

- * In addition, medical care is provided by the social insurance schemes in Burma, India, Pakistan and the Philippines. In the case of the first 3 this is mainly through the social security institutions own network of clinics and hospitals; in the Philippines a fee for service system exists for hospitalisation only.

- Notes :
1. There is a statutory provident fund which applies only to workers in the tea plantations.
 2. Up to 1975. The present position regarding social security provisions in Cambodia is not known. In addition to the schemes shown as being in force in 1975 there was also an employment-related Family Allowances system.
 3. Collective agreements generally provide for periods of certificated sick leave with pay.
 4. Persons aged 75 and over who satisfy certain conditions mainly concerned with residence in Hong Kong qualify for Infirmary Allowance. Severely disabled persons are entitled to Disability Allowance. Both types of allowance are non-means tested.
 5. In addition to the provident fund benefits there is Family Pension Scheme for survivors and a Gratuity Fund.
 6. Legislation for a National Welfare Pension Scheme may be implemented in 1977.
 7. The Appendix summarises the separate schemes in force before unification of Viet-Nam. The present position is not known. There was also an employment related Family Allowance system which is not shown in the Appendix.

APPENDIX II

SCOPE OF SOCIAL INSURANCE SCHEMES AND NATIONAL PROVIDENT FUNDS
IN SELECTED ASIAN COUNTRIES

PART A—SOCIAL INSURANCE SCHEMES

Country	Persons Protected	Persons Specifically Excluded
Burma	Employees of establishments with 5 or more workers in industry and commerce, and those in other specified undertakings.	Permanent public servants, who have a separate system of benefits.
India	For the social insurance schemes run by the Employees' State Insurance Corporation, Employees in factories with 10 or more workers and using power, non power using factories with 20 or more persons, and certain other types of establishments (shops, hotels, road motor transport, etc) with a minimum of 20 employees. For the Family Pension Scheme operated by the employees' Provident Fund, employees in firms with 10 or more workers, or 20 certain agricultural establishments (after 240 days employment with the same employer).	For the social insurance scheme, employees earning more than 1000 rupees a month, and workers in commerce and agriculture. For the Employees' Provident Fund, employees earning more than 1,000 rupees per month or covered by equivalent private plans.

Country	Persons Protected	Persons Specifically Excluded
Malaysia	Employees in commercial and industrial establishments with 5 or more workers.	Persons with earning of \$500 or more per month (they remain members of the Invalidity Pension Schemes if earnings exceed limit after joining); in respect of invalidity, if over 50 at date of application of the Scheme or at age 55. Certain agricultural and domestic workers and fishermen.
Pakistan	Employees in establishments with 10 or more workers (domestic workers entitled to medical care through their employers).	Employees earning over 500 rupees per month and agricultural employees. Persons in the service of the State including members of the Armed Forces, Police Force, and railway employees.
Philippines	All employees	Government (separate system). Family workers, private domestic employees, share or leasehold tenant workers not employed for a continuous period of 6 months in a year, and casual workers.
Thailand	Employees in establishments with 20 or more workers in the Bangkok metropolitan area, and 5 provinces.	Workers engaged in cultivation or fishing and domestic and railroad employees.

PART B NATIONAL PROVIDENT FUNDS

Country	Persons Protected	Persons Specifically Excluded
India	Employees in specified industrial, commercial and plantation enterprises having 10 or more workers, or 20 in certain agricultural establishments. Separate schemes exist for miners, railway workers and public employees.	Persons whose earnings exceed 1,000 rupees a month unless already a member. Exemptions allowed for workers in equivalent private plans.
Malaysia	Employees aged 16 or over (compulsory after one month with the same employer unless coverage agreed from the start of employment).	Members of existing equivalent private plans and fishermen.
Singapore	All employees earning more than \$10 per month plus special categories of self-employed workers.	Members of existing equivalent private plans, and temporary workers.
Sri Lanka	All employees in the private sector and in public corporations, including casual workers.	Persons employed by the day, family workers and public employees, and workers covered by approved private plans.

APPENDIX III

FINANCIAL ARRANGEMENTS OF SOCIAL-INSURANCE SCHEMES AND NATIONAL PROVIDENT FUNDS IN SELECTED ASIAN AND PACIFIC COUNTRIES

PART A—SOCIAL INSURANCE SCHEMES.

Country	Branches Covered	Contributions by Employers, Employees and Governments	Maximum earnings for Assessment of Contributions
Burma	Medical care sickness and maternity	Employer; 2% of payroll Insured person : 1% of earnings Government: Annual grant of about 1% covered earnings	according to 6 232 Kyats per month wage-classes
	Employment injury	Employer : 1% of payroll, according to 6 wage-classes	
India	Medical care, employment injury, sickness and maternity	Employer : 4.8% of payroll Insured person : 9% of earnings States : 12.5% of cost of medical benefits if benefits provided to dependants, 25% otherwise Employer : 1.1% of earning Insured person : 1.16% of earnings Government : 1.16% of earnings plus administrative expenses for the Employees Family Pension Scheme, and 1.66% of earnings to the Coal Mines Family Pension Scheme.	Employees earning 1000 Rupees per month are excluded
	Survivors pensions, death grants or lumpsum retirement benefits		Employees earning over 1,000 Rupees per month are excluded.

Country	Branches Covered	Contributions by Employers, Employees and Governments	Maximum earnings for Assessment of Contributions
Malaysia	Employment Injury	Employer : About 1.25% of payroll according to 9 wage- classes	Employees earnings over \$ 500 a month are excluded, unless already members when earning less.
	Invalidity	Employer : About 0.4% of payroll according to 9 wage- classes Insured person : About 0.4% of earnings	
Pakistan	Medical care, • employment injury, sickness and maternity.	Employer : 7% of basic wages (8% in NWFP) Insured person : Nil.	20 Rupees per day.
Philippines	Employment Injury.	Employer only : 1% of payroll accor- ding to 10 wage- classes.	Maximum is 1,000 Pesos per month.
	Medical care •	Employer : 1.25% of payroll according to 6 wage- classes Insured person : 1.25% of earnings	300 Pesos per month.
	Sickness, old age, invalidity and death.	Employer : 4.1% of payroll (for low wage employees 4.7%-5.6%) accor- ding to 10 wage-classes Insured Person : 2.9% of earnings (for low wage earners 1.6% to 2.4%) according to 10 wage-classes.	1,000 pesos per month.

• Dependants of the insured person also are entitled to medical care with some limitations.

PART B NATIONAL PROVIDENT FUNDS

Country	Contributions by Employer	Contributions by Employees	Maximum Earnings for Assessment of Contributions
Fiji	6% of wages	6% of wages	—
India	6.25% of payroll, or 8% for factories with 50 or more workers, plus 0.37% for cost of administration (2.4% for factories with 50 or more workers.	6.25% of earnings, or 8% in factories with 50 or more workers.	Employees earning over 1,000 Rupees per month are excluded.
Malaysia	7% of payroll according to 24 wage-classes.	6% of earnings according to 24 wage-classes.	In East Malaysia, workers earning over \$ 500 are excluded.
Singapore	15% of monthly earnings upto \$363, plus 33 $\frac{1}{3}$ % of earnings between \$200 and \$363; 30% of earnings over \$363; maximum contribution of \$450, plus 30% of bonus.	Nil for 33 $\frac{1}{3}$ % earning below \$200 a month. of monthly earnings between \$200-\$363, plus half of employers contribution on earnings over \$363.	Asistated.
Sri Lanka	9% of payroll	6% of earnings.	500 Rupees per month
Western Samoa	5% of payroll	5% of earnings	—

APPENDIX IV GROWTH IN NUMBER OF PERSONS PROTECTED IN ASIAN SOCIAL INSURANCE SCHEMES

Country	Year of Basic Law	Year	Number of active persons protected	Percentage increase over the period
(1)	(2)	(3)	(4)	(5)
Burma	1954	1971-72	217,763	8.23%
		1972-73	222,319	
		1973-74	231,626	
		1974-75	252,447	
		1975-76	235,677	
India	1948	1971-72	4,591,450 ¹	9.99%
		1973-75	5,050,000	
Malaysia	1969	1971	24,707 ²	185.31%
		1972	226,394	
		1973	428,157	
		1974	562,407	
		1975	645,933	
Pakistan	1965	1970-71	313,000 ¹	41.85%
		1971-72	340,000	
		1972-73	394,000	
		1973-74	431,000	
		1974-75	444,000	
Philippines	1954	1971	2,836,462	60.55%
		1972	3,100,964	
		1973	3,917,520	
		1974	4,278,790	
		1975	4,553,880	

Notes: 1. The schemes in India, Pakistan and the Philippines provide medical care to dependants, who average at least 4 per insured persons; in the case of India and Pakistan this is on a more extensive scale and provide mostly through direct arrangements by the social security institutions.

2. The scheme began operations in October 1971.

APPENDIX VII

DISTRIBUTION OF SOCIAL SECURITY EXPENDITURE AMONG THE DIFFERENT SCHEMES (PER 1000 OF TOTAL EXPENDITURE)

PART A-DISTRIBUTION IN SELECTED COUNTRIES IN ASIA

Country	Financial Years	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				Social Insurance And Assimilated Schemes	Family Allowances	Public Emplo- yees, Military & Civi- lian	Public Health Services	Public Assistance And Assimila- ted Schemes	Benefits For war Victims	Administrative Expenditure Not Allocated Among the Different Schemes	Total
Burma	1968-69			44		411	545				1000
	1969-70			36		420	544				1000
	1970-71			29		418	553				1000
India	1968-69			214		361	420	5			1000
	1969-70			218		333	444	5			1000
	1970-71			236		340	419	5			1000
Japan	1968-69			638		124	51	106	81		1000
	1969-70			648		123	49	106	74		1000
	1970-71			649		123	46	106	76		1000
Philippines	1968-69			223		272	422		83		1000
	1969-70			216		261	450		73		1000
	1970-71			209		313	399		79		1000
Sri Lanka	1968-69			143		205	586	58		8	1000
	1969-70			174		191	553	74		8	1000
	1970-71			199		214	534	46		7	1000

Country	Financial Years	Social Insurance	Family Allowances	Public Employees- Military and Civilian	Public Health Services	Public Assistance And Assimilated Schemes	Benefits For War Victims	Administrative Expenditure Not Allocated Among The Different Schemes	Total
		And Assimilated Schemes							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PART B DISTRIBUTION IN SELECTED COUNTRIES IN OTHER DEVELOPING REGIONS									
Brazil	1969	789	60	119	32				1000
	1970	778	58	141	23				1000
	1971	799	57	122	22				1000
Mexico	1969	669		225	62	44			1000
	1970	680		212	63	45			1000
	1971	685		213	60	42			1000
Tunisia	1969	137	319	132	412				1000
	1970	156	294	129	421				1000
	1971	160	277	153	410				1000
Zambia	1968-69 ^s	119		182	699				1000
	1869-70	165		139	696				1000
	1970-71	188		139	673				1000

Source: Calculations from data supplied by Social Security Department, ILO, Geneva.

The classification "Social Insurance and Assimilated Schemes" includes social insurance, provident fund, employers liability and non-contributory benefit schemes.

Notes: 1. 1 October—30 September.

2. Benefit expenditure has been treated as total expenditure.

3. 1 April—31 March.

5. But in developing countries, the risks to which an industrial worker is exposed may be regarded as sporadic in the lives of workmen. The problem of basic needs of the worker industry is, to a great extent, complementary to risks and, any measures taken to ensure for the worker the provisions of needs would, broadly speaking, help mitigate the severity of these risks. These basic and perennial needs of the industrial worker relate to the provisions of adequate wages, a minimum standard of housing accommodation, provision of reasonable working hours and welfare measures outside factory. The basic needs are provided through labour legislations, whereas the sporadic risks can be met through different social security scheme.
6. The social security measures are, thus, designed to accomplish the purpose of distributing social costs of industry over the country. It means, on the other hand, the elimination of five giants of Beveridge on the road of reconstruction, viz, Want, Disease, Ignorance, Squalor and Unemployment. Social Security, broadly speaking, refers to the idea that the State shall make itself responsible for ensuring a minimum standard of living to all citizens on such a basis as to cover all the contingencies of life.
7. Social security, therefore, plays a very significant role for developing countries as it constitutes an important part towards achieving the goal of welfare state by improving living and working conditions of the people and providing them with some protection against the contingencies and risks of life.

II. Growth and Trends:

8. The voluntary form of social insurance was developed for the first time in England where the friendly society movement had a long and honourable history, dating back to the 18th century. The establishment of a State system of social security in Great Britain is, however, of comparatively recent date. Germany, from a very early period, had a series of thrift institutions which were originally voluntary, but to which the State later on gave a compulsory character. In France, the law, passed in 1898, defined employers' liability for industrial accident, thus setting up the social insurance scheme. Russia in 1912 and Japan in 1922 followed the examples of Germany to

introduce social insurance schemes. America started social insurance scheme through introduction of Social Security Act of 1955. The Second World War, however, gave a fillup to the security measures in different countries. Certain development in the sphere of social security took place in Great Britain, British India, U.S.A. and Canada aiming at promoting health and welfare of the country in general, and providing for social insurance of the workers against employment injuries, in particular.

9. In Bangladesh, the history of the growth of social security can be traced to some age-old labour legislations of British India, covering some contingencies for industrial workers. These are :

A. Workmens' Compensation:

10. The need for payment of compensations for employment injury and occupational diseases is in recognition of value of human life and as such, can not be overlooked. The Act now in force in Bangladesh is Workmen's Compensation Act, 1923 as amended in 1957. The object of this Act was to impose an obligation upon the employers to pay compensations to the workers whose monthly wages do not exceed Takas 500.00 for accidents and occupational diseases, arising out of and in the course of employment resulting in death or total or partial disablement. The amount of compensation payable depends on the nature and degree of loss of earning capacity and the average monthly wage of workers concerned as laid down in the schedule of the Act. It is payable for death, permanent total disablement, permanent partial disablement and temporary disablement. Schedules I and IV of the Act are placed below :

SCHEDULE I

(See sections 2 (1) and 4)

List of injuries deemed to result in permanent partial disablement :

Injury	Percentage of loss of earning capacity
Loss of right arm above or at the elbow	70
Loss of left arm above or at the elbow	60
Loss of right arm below the elbow	60
Loss of leg at or above the knee	60
Loss of left arm below the elbow	50
Loss of leg below knee	50
Permanent total loss of hearing	50
Loss of one eye	30
Loss of thumb	25
Loss of all toes of one foot	20
Loss of one phalanx of thumb	10
Loss of index finger	10
Loss of great toe	10
Loss of any finger other than index finger	5

1 (SCHEDULE IV)
 (See section 4)
 Compensation payable in certain cases

Monthly wages of the workman injured	Amount of Compensation for		Half monthly payment as compensation for temporary Disablement of Adult
	Death of Adult	Permanent Total Disable- ment of Adult	
1	2	3	4

More than But not
more than

Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
0	15	750	1,050	Half his monthly wages	
15	20	800	1,120	7	0
20	25	1,000	1,400	8	0
25	30	1,200	1,680	9	0
30	35	1,400	1,960	9	8
35	40	1,600	2,240	10	0
40	45	1,800	2,520	11	4
45	50	2,000	2,800	12	8
50	60	2,400	3,360	15	0
60	70	2,800	3,920	17	8
70	80	3,200	4,480	20	0
80	90	3,600	5,040	25	0
90	100	4,000	5,600	25	0
100	200	6,000	8,400	30	0
200	300	7,000	9,800	30	0
300	400	7,500	10,500	30	0
400	500	9,000	13,000	40	01

The amount of money paid for compensation during the years is also shown below :

Workmen's Compensation

(As per reports of Workmen's Compensation Commissioners)

No. of cases of injuries and amount of Compensation paid								
Year	Death	Amount of compensation paid (in Taka)	Permanent Dis-ablement	Amount of compensation paid (in Taka)	Temporary Disable-ment.	Amount of compensation paid (in Taka)	Total No. of cases	Amount of compensation paid (inTaka)
1972 :	42	1,44,267	838	5,61,352	606	28,725	1,486	7,34,344
1973 :	52	3,00,617	696	5,33,470	250	97,736	998	8,31,823
1974 :	54	3,06,656	322	4,15,614	263	2,12,447	639	9,34,717

B. Maternity Benefits :

I. Bengal Maternity Benefit Act. 1939 :

11. Maternity Benefit Act, 1939 provides for some maternity benefits to the female workers before and after child birth in cash or in a prescribed rate and manner. This relates to the Convention of ILO which established the right of female worker to leave employment on production of a medical certificate, six weeks before and six weeks after child birth.

Maternity Benefit under Bengal Maternity Act. 1939 :

The amount of maternity Benefit paid during the years is shown below :

1971	Total number of Claims :	71
	Total amount of Taka paid :	18,312.28
1972	Total number of Claims :	70
	Total amount of Taka paid :	18,331.76
1973	Total number of Claims :	83
	Total amount of Taka paid :	22,761.15
1974	Total number of Claims :	164
	Total amount of Taka paid :	31,514.07

II. East Bengal Maternity Benefit (Tea Estates) Act. 1950

12. The object of this Act is to regulate the employment of women in tea factories and plantations for certain periods before and after child-birth and to provide for the pay of the maternity benefits to them. The Act renders the employer liable to payment the maternity benefits to the female worker compulsorily in respect of six weeks preceeding the expected day of her delivery and six weeks immediately following the day of her delivery subject to some prescribed conditions. Besides, this Act provides for provisions of some antenatal and post-natal care of female workers by the Employer as well as fo payment of maternity benefit in case of the death of a woman.
13. Before 1974, in this Act, it was laid down that Taka one only per day was to be paid to the women workers engaged in Tea Estates as maternity benefits. It was inadequate and as such, in 1974, the first amendment was made allowing the benefit to be calculated on the basis of average monthly or weekly earnings.
14. The amount of maternity benefit paid under the East Bengal Maternity Benefit (Tea Estate) Act, 1950, during the years is shown below :

Maternity Benefit under Bengal Maternity Benefit Act (Tea Estate) 1950

1971 :	Total number of Claims :	2,874
	Total amount of Taka paid :	3,45,673.24
1972 :	Total number of Claims :	2,539
	Total amount of Taka paid :	2,45,595.38
1973 :	Total number of Claims :	2,943
	Total amount of Taka paid :	2,65,570.00
1974 :	Total number of Claims :	3,902
	Total amount of Taka paid :	4,46,750.00

III. Maternity leave for female Government Servant :

15. The female Government servants are granted maternity leave on full pay at the rate she was drawing at the time of taking leave for a period which may extend up to the end of three month from the date of its commencement or to the and of six weeks from the date of confinement, whichever is earlier.

B. Plantations Employees Provident Fund Ordinance. 1959 :

16. Another piece of legislation providing for some social security measures in Plantations Employees Provident Fund Ordinance, 1959. This is a contributory scheme under which the employees and the employers are required to make equal contribution of 6% of the wages of each employee to the Fund. About one lakh Tea Plantation workers have been brought under the benefit of this special fund which is administered by a Board of Trustees composed of two representatives of each of the employers and the employees and two independent members and a chairman appointed by the Government. The realisation on this head is about Taka 29 lakhs annually and the payment is about Taka 16 lakhs. The realisation is increasing every year due to rise of wages.

C. Employees Social Insurance Ordinance, 1962 :

17. The Employees Social Insurance Ordinance, 1962 was enacted by the erstwhile Government on the recommendations of ILO experts, who initially worked in 1951-53 and then in 1957-58. This Ordinance provided for provisions of sickness benefit, maternity benefit, employment injury benefit and burial expenses etc. as integrated programme for social security. But this Ordinance could not be implemented by the erstwhile Government.

D. Employment of Labour (Standing Orders) Act. 1965 :

18. Bangladesh Employment of Labour (Standing Orders) Act, 1965 provides for the benefit of compensation, i. e. payment of gratuity at the rate of 14 day's wages for every completed year of services to the workers engaged in shops, commercial and industrial establishments due to discharge from service for reasons of physical or mental incapacity or continued ill-health or such other reasons not amounting to misconduct.
19. The workers engaged in these establishments also get benefit of 14 days' sick leave with pay as provided in Bangladesh Factories Act, 1965 and Shops and Establishments Act, 1965.

20. Further, under the Standing Orders Act, workers engaged in shops, industrial and commercial establishments, who have completed not less than one year of continuous service are paid, in the event of lay-off, equal to half of the total of the basic wages and dearness allowance for a period of 45 days during the calendar year and after the expiry of the first 45 days, one fourth ($\frac{1}{4}$ th) of the said benefits for another 15 days period of lay-off.
21. The Industrial Workers Wages Commission have also recommended for medical allowances at the rate of Taka 20.00 to all workers as environmental support.
22. For the Government Employees, Government Servants' Benevolent Fund Ordinance, 1968 and Government Servants' Group Insurance Ordinance, 1969 have been promulgated by the erstwhile Government of East Pakistan.

A. Government Servant's Benevolent Fund Ordinance, 1968 :

23. The object of this Ordinance is to provide for the constitution of a Benevolent Fund for relief of Government Servants' and their families and matters ancillary there to. The Fund shall be unutilized for :
 - (a) the relief of the Government Servants' and their families by :—
 - (i) giving financial assistance to the families of deceased Government Servants at such rates as may be prescribed ;
 - (ii) giving financial assistance to Government Servants' invalid-ated out of service at such rates as may be prescribed.
 - (b) defraying expenditure incurred in respect of the management of the Fund ; and
 - (c) such other purpose as may be prescribed from time to time.

B. Government Servants' Group Insurance Ordinance, 1969 :

24. This ordinance has been enacted with a view to providing for group insurance of the Government Servants' providing for establishment of a Board of Trustees, payment of insurance in the event of death of a Government Servant and other related provisions.

25. Besides, Provident Fund Schemes and pensions are there as old-age and retirement benefits for the Government employees. These are statutorily given. In some bigger Industrial or Commercial Organisations, provisions for Provident Fund Schemes and pensions exist but this is not a regular feature in all private organisations. These facilities are achieved through collective agreements.

Problems :

26. The statutory social security measures in Bangladesh, as discussed so far, are exposed to various limitations. The workmen's compensation in fact, represents an intermediate stage between the old common law rights on the hand, which were entirely inadequate to deal with the new dangers arising out of the machine age, and on the other hand, the Social Insurance Scheme of the 20th century. The statutory provisions have been found unsatisfactory both by employers and employees. The employer's liability for workmen's compensation cannot be considered fair in all cases. In case of fatal injuries, even if a worker's own fault results in death, the employer is called upon to pay compensation. Again, where the employer disclaims his liability, he is to prefer a claim to the Commissioner. Sometimes the injured worker or the survivor of the deceased worker suffers due to delay in disposal of cases and for legal complications. Moreover, the compensations as provided for employment injury are very meagre in the present economic conditions of life. The Government of the People's Republic of Bangladesh have already taken steps to amend and modify the existing Workmen's Compensation Act according to the present socio-economic conditions of the country. But the solution of problem appears to lie in application of the principle of social insurance of Workmen's Compensation as it would mean the distribution of the costs of employment injury over three parties, namely: Employer, Employee and the State. This has three advantages :

- (a) The employer will not gain anything by inhibiting worker's claims and will not directly be in the picture :
- (b) The payment of claims will become automatic and not dependant upon making any claim by the workers themselves or on filling a law suit ; and
- (c) Evasion will be reduced to the minimum.

27. Limited scope of coverage, limited scale of benefits, evasion of employers' liabilities, bankruptcy of the Organisations are some of the most important problems of whatever social security measures we have in Bangladesh, which have caused the policy-maker in Government, enlightened Employers and Labour Leaders to ponder over in the present context of our socio-economic life. The Employees Social Insurance Scheme as envisaged in 1967 also could not materialise owing to various reasons.

Conclusion :

28. In view of the above discussion, at this stage complete system of Social Insurance consisting of (i) Sickness, (ii) Maternity Insurance, (iii) Accident Insurance, (iv) Unemployment Insurance, (v) Old Age Insurance, (vi) Invalidity Insurance, (vii) Survivorship Insurance may not be possible to be implemented, but it is felt that a modest and objective belonging in this direction is possible in Bangladesh. The Government of the People's Republic of Bangladesh is keen to promote and encourage social security means in the country. With the experience of the working of various scheme as mentioned above, the time has now come for involving a comprehensive plan of social security for all the industrial workers in Bangladesh. It may, perhaps, not be possible due to paucity of adequate medical and allied services and other administrative and financial difficulties to include the agriculture workers. Under the existing conditions, any wide extension of social security measures will not be possible either in terms of coverage or in actual benefits. It appears that different agencies provide certain measure of social security for different sections of the working class. It has been realised that keeping in view the limited capacity of the economy to bear the additional burden of additional social security measures which are not provided so far, a programme of social security may be an integrated one. It is through the combination of different agencies under one unified administration that is possible to provide better benefits to the workers without any extra cost either to the employers or employees. Apparently it may appear that it will be a burden to both employers and employees, but in the long run instead of being burdensome, it will be very useful and helpful to improve the overall economic conditions. Efforts should, therefore, be taken to study the existing problems and limitations of social security measures and, on the basis of this study, to work out an

integrated social security scheme, covering possible contingencies with gradual coverage.

29. It is expected that this Seminar will throw a new light and suggest effective ways and means for workable conditions in promoting the social security measures within our existing socio-economic framework. We also cherish our earnest desire that ILO would extend more financial assistance and physical aids in order to promote social security measures in Bangladesh.

SOCIAL SECURITY IN BANGLADESH- GROWTH, TRENDS AND PROBLEMS

BY

SHAH ABDUL HALEEM*

1. Social security lies in the equal economic right which modern democracy realises in practice. Foundation of Welfare is an assurance about an unfailing access to the means of life. The state recognises the right to life of every citizen and by implication the right to the means of life and the right to protection from violence. The right to work does not mean a right to a particular sort of work that one likes but the right to do something within one's skill and abilities which would be of some use to society. The right to work, however, implies the right to maintenance during period of enforced idleness. The right to work also implies the right to reasonable wages, reasonable hours of work, tolerable work-surroundings, the right to compensation in case of industrial accident and disability and the right to property. The right to old-age pensions, medical aids in periods of sickness and access to a minimum means of life in case of permanent disability are implicit in the content of economic rights as envisaged in social security to ensure social justice by any civilised polity worthy of mention.
2. In substance the basis of progress through the welfare is the maintenance of those economic rights in the community, without which a respectable citizenship would not be possible for the vast majority of the community. The individual could afford to be upright and hold his head high only when he has secured the freedom from want and wanton needs so far as the basic things of life are concerned. The other rights are undoubtedly important when once a minimum of economic security is assured to every citizen. Distributive justice is also necessary condition for the promotion of welfare. Unless every citizen is assured of the basic right such as the right to work, the right to a minimum remuneration required to keep

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fit and healthy, the right to medical aid, education, privacy and security against violence, etc. it is difficult to contend that a state is a welfare state that provides social security. We do not have in our country as yet any of these rights on a national scale.

3. Social security benefits are necessary not only for the wage earners, government or non-government workers but for the total population living within the territory of the state and paying regular taxes. Social security may be secured through sound medical facilities, full educational facilities, full employment facilities, old-age pension facilities, development of unemployment benefits and providing against work hazards, etc.
 - i) Unemployment benefit scheme in developed countries had been brought to the point of reasonable effectiveness as regards the frictional, cyclical and structural unemployment normally experienced in market.
 - ii) protection against sickness, disease and injury arising out of one's employment for making provision for old-age and the protection of the interests of workers when employed in countries other than their own, the protection needed in those cases as well as the protection of members of the workers' family became in due course an integral part of concept of social security as it has emerged out of human aspiration for self preservation against the vagaries of nature and social hazards over years.
4. The first phase of I.L.O. standard-setting activities to promote income security lasted from 1919 to 1935. During this period special standards were laid down for each risk covered under special insurance and allied schemes, applicable to specified classes of workers. The pre-war conventions and recommendations provided in this way for workmen's compensation for accidents and occupational diseases, sickness insurance, provision for old-age, invalidity, widows' and orphans' pensions, maternity protection, provision for unemployment and maintenance of migrants' pension rights.
5. Social security (minimum standards) Convention (No. 102) adopted by the International Labour Conference in 1952 marked a significant land mark in social security standard setting. The revision and updating of the pre-war Social Insurance Conventions in the 1960s

was the logical consequence; the desideratum is the evaluation of national legislation securely based on the industrial democracy, social justice, amicable labour-management relations and increased productivity. The employment Injury Benefits Convention 1964 (No. 121), Invalidity old-age and Survivors Benefits Convention, 1967 (No. 128) and Medical Care and sickness benefits Convention, 1969 (No. 130) were all aimed at improving the standard of social security protection in the different countries. Out of a total of 144 Conventions adopted by the International Labour Conference from 1919 to 1976, 25 of them are in the field of social security.

6. With the expansion of Industrialisation, the rural workers leave their village homes for industrial and commercial centres for employment. A social security system is indispensable to cope with any mishap that may fall upon them at any time. When a worker gets old, his working potential is reduced. He is not likely to enjoy a human deplation allowance like a privileged employee. Therefore, he cannot be expected to work with enthusiasm and efficiency, he is otherwise capable of. An apathetic attitude towards his basic need and lack of understanding on the part of the employers about the importance and dignity of his role which is that of a partner in progress must necessarily tell upon his efficiency and willingness to do his best that retard economic progress. The implementation of the social security scheme will be largely responsible for creating awareness amongst the workers about devotion and responsibility towards duty for increased productivity. United Nations' declaration of Human Rights recognises and seeks to ensure safety and security, freedom from wanton need and privation and provide protection against any social situation that has an adverse effect on human nature, conforming to the sustenance of society and civilization.
7. Social security as it is understood at present, is one of the dynamic concepts of modern age, the introduction of modern factory system of production replacing the old one is in fact, responsible for the birth of the concept of modern social security; Social security scheme aims at mitigating these needs-adequate wages, a minimum standard of housing accommodation, provision of reasonable working hours and welfare measures outside factory and also to do away with, if not, at least to minimise want, disease, ignorance, squalor and

unemployment. In Bangladesh the history for growth of social security dates back to some age old labour legislation of British-India covering some contingencies for industrial works.

These are :—

- (1) Workmen's Compensation Act of 1923.
- (2) Maternity Benefit Act of 1939
- (3) East Bengal Maternity Benefit (Tea Estates) Act 1950
- (4) Maternity leave for female govt. servants.
- (5) **Maternity benefits** : One of the very first Conventions adopted by the International Labour Conference was the Maternity Protection Convention, 1919. The purposes of this instrument, which was revised in various details in 1952, were to—
 - (a) enable a female employee to abstain from work during the six weeks preceding the expected date of her confinement ;
 - (b) oblige her to abstain from work during the six weeks following her confinement ;
 - (c) provide her with pre-natal, confinement and postnatal care by a doctor or certified midwife ;
 - (d) provide her, out of public funds or by means of insurance with a cash benefit sufficient for the full and healthy maintenance of herself and her child during the said periods of absent work ;
 - (e) prohibit her dismissal during the said periods or a subsequent period of sickness ;
 - (f) enable her to nurse her baby twice a day during working hours.
8. As against this, a female employee, is in Bangladesh granted maternity leave on full pay at the rate she was drawing at the time of taking leave for a period of which may extend up to the end of three months from the date of its commencement or to the end of six weeks from the date of confinement, whichever is earlier.
9. Unemployment protection under social security is a main agenda. The primary goal has always to be the adoption and implementation of an effective employment policy which would minimise unemployment accepting that the degree of success of this kind would be linked to the state of the national economy. Social security could not be isolated from or taken out of such a wider employment strategy.

The persons protected :—

- (a) Public employees and highly paid groups.
- (b) Agricultural workers.
- (c) Seasonal workers.
- (d) Domestic servants.
- (e) Home workers.
- (f) New entrants to the labour market.

The success of social security system lies in the field of unemployment protection and maintenance of earning levels on a change of employment.

The agricultural workers.

10. The problem here is essentially one of introduction of schemes and implementation where employment on the land is almost unorganised. As regards the seasonal workers, the domestic servants and the home workers the problem is one of introduction implement and control. Newzealand has removed restriction as regards seasonal workers, and protection has been extended to domestic workers in Austria, and for those working at least three days a week for one employer in Netherlands.

New entrants in the labour market :

11. There are mainly young people who are unemployed while looking for a job following attainment of working age, completion of their studies, matured drop-outs and obviously who could not comply with a qualifying period of past employment.
12. Collective agreements may provide measures for social security with regard to guaranteed minimum wage payment or of compensation for hours and days which could not be worked, usually assessed on the basis of a percentage of pay so lost including, in addition to other measures such as the contingencies as mentioned above.
13. In most of the developing countries social security schemes are applied only to the employees in the main industrialised urban centres. These countries face very great difficulties in extending coverage to the rural sector, due to the complex structure of the labour force in these areas, the particular employment relationships of agricultural

workers, the low income levels and the lack of adequate public services and medical facilities. Protection against sickness is much less common than insurance against accidents and the largest proportion of agricultural workers-the self employed, tenants and share croppers are rarely covered by social security with the result that not only is income maintenance not assured in this form, but economic security is made even more doubtful by reason of price instability, insecurity of tenure and all the natural hazards.

Social insurance of self employed and nonemployed :

14. The problem of providing social security for these classes resides not only in the absence of an employers contribution but also, in the fact, that only a relatively narrow range of benefits can be provided for them. The problems of covering self employed persons working in agriculture are specially difficult because of their typically low cash income. Their frequent illiteracy administrative difficulties and various other reasons are largely responsible for this.
15. The medical care recommendation (No. 69) is based on the concept of complete coverage of all members of the community whether or not they gainfully employed in this sense; it recognises the collective right to health. The income security recommendation (No. 67) on the otherhand limits coverage to all employed and semi-employed persons together with their dependants in respect of whom it is practicable to collect contribution and pay benefits. Another most important development in the social security field was the adoption in 1962 of the Convention concerning equality of treatment of nationals and non-nationals (No. 11) the Convention advocates the co-ordination through multilateral and bilateral agreements, of social security laws and regulations with a view to providing income security of the occurrence of various contingencies.

Medical Benefits : Medical care service may provide (though in different degrees of availability, specialisation, liberality) following types of care

- (a) General parctitioner care, including visits to the home;
- (b) Diagnostic examinations ;
- (c) Care by medical specialists;
- (d) Pharmaceutical supplies;

- (e) Maternity care by midwives and doctors;
- (f) Nursing and maintenance in hospital;
- (g) Dental care; and
- (h) Measures promoting early diagnosis of specific disorder-prevention of contagious diseases and giving health education.

Sickness benefits :

16. The rate of the cash sickness benefit, may be calculated in any three ways : —
 - (a) as a percentage of previous wage;
 - (b) the above plus general family allowances or special supplements for dependants ;
 - (c) a uniform basic allowance plus general family allowances or special supplements for dependants.
17. The income security recommendation of 1944 already foresaw this problem. The social security (minimum standard) Convention, 1952, employment injury benefits Convention, 1964 and the invalidity, old-age and the Survivors' Benefits Convention, 1967, all confirm the principle to put forward, namely that the rates of benefit should be reviewed following substantial changes in the general level of earnings or in the cost of living.
18. Mutual Aid Society run by the workers could not safely undertake old-age or life insurance.

Right to human dignity :

19. It is necessary that we strive to promote an improvement in the conditions of work and life of workers and their families in order to attend a level as close as possible to that consistent with human dignity. And doing this, efforts for the continuous improvement of living condition continue. From the point of view of human dignity the effective realisation of the right to rest and leisure implies however something more than an acknowledgement of the fact that workers need spare time for leisure and recreation. These spare time should serve to enable the worker develop his personality.

20. In view of these, I seek to submit the following recommendations for the kind consideration of the Government and the distinguished participants of this Seminar :

Recommendation : Where a person protected suffers the contingency concerned as the result of employment injury, the benefit is always paid without the requirement of a qualifying period. Social security to be ensured by way of introducing :-

- 1) **Medical care under social security :** Cash benefit undertake to replace a part but not all of normal earning or income. In order to safeguard the financial equilibrium of the social insurance scheme and to avoid abuse, it is necessary to limit the payment of benefits to bonafide members of the scheme.
- 2) **Employees in small establishment :** National legislation should provide that once an undertaking is covered by a particular scheme, it should remain in the scheme even when the number of employees decreases below the prescribed minimum.
- 3) **Higher paid employees :** Irrespective of pay and allowances the employees whose earnings exceed the maximum of national pay scheme shall also be compulsorily covered by the scheme.
- 4) **Casual workers:** The casual workers should be covered under this scheme with regard to employment injuries sustained at work.
- 5) **Self employed persons :** The self employed rural workers, farmers artisans, fishermen, the carpenters, potters, tinsmiths, blacksmiths etc. should be brought under this schemes and technique may be developed in Bangladesh to cover their social insurance scheme may be self supporting with loan or subsidy from the Government or some establishments or institution that may gradually be paid off. Implementation of social security scheme involves some administrative actions such as the registration of protected persons and their employees. Identification of the persons concerned, collection of contribution adjudication of claims, payment of benefit, inspection, procedures for appeal etc. No doubt the responsibility rests with the Government and organisations that may be created for the purpose.
- 6) **Right to minimum income :** Right to minimum income is to be ensured by creating job opportunities for all.
- 7) **Introduction of compulsory group insurance scheme for the workers.**

- 8) **Measures for public Health :** Public health relates to prevention of disease maintaining hygienic condition of the public places providing electricity and water supply, maintenance of sewerage system, prevention of pollution and establishment of Hospitals and rural health centres providing maternity care and family planning arrangements.
- 9) The civil and public services have a pension scheme of their own together with every kind of social protection. These facilities are not available in the private sector. Therefore provision of gratuity for the workers of industrial and commercial undertakings at the rate of one month's gross wages last drawn for each year of completed service from the date of joining with break for no fault of his own.
- 10) **Social Assistance :** Social assistance means benefits payable as of legal right from public funds in prescribed types of need deemed not to be due to applicants' own fault. It is for needy and low income group.
- 11) **Family benefits :** Amongst other reasons the consideration of the nature of children in poor families and so to promote equality of opportunity in the young generation. This has already been included in the social security scheme in many countries.
- 12) **Public Service :** The aims of the society should be to provide complete medical care and facilities to the entire population, subject in some cases, to minimise charges to prevent abuse.
- 13) **Social Assistance :** The payment under social assistance are generally intended for "needy" or "no income-persons" and the amount of assistance actually paid is scaled to each individual's means or income.
- 14) **Provident Fund :** A provident fund scheme is essentially a system of compulsory savings. Employee and their employers pay regular contributions to a central fund where they are credited to a separate account maintained for each worker on which interest is paid when defined contingencies occur, such as old-age, invalidity, or death or loss of employment for any reason, the worker or his survivor will receive back an amount from the account including accrued at a rate determined by agreement or by legislation whichever is bigger.

- 15) **Protection of the Rights of the workers' Representatives and workers Union :** Protection and facilities which should be provided for workers representatives, be they trade Union representatives or other types of employee representatives in their duty of presenting the workers demands, negotiating with management on wage rates and conditions of work and more generally defending the interest of workers vis-a-vis the employer. The proper social security scheme determine the labour relations. Labour legislation and administration, social participation, personnel policies, workers' education and cooperative and rural institutions provide multiple opportunities in the field of research and information, of helping individual and social groups to safeguard and promote their rights and freedoms by their own efforts for better industrial relations and increased production.

Social Security and the I. L. O.

21. Social security is the result achieved by a comprehensive and successful series of public measures for protecting the public or a large sector of it from the economic distress that, in the absence of such measures would be caused by the stoppage of earnings in sickness, unemployment, invalidity or old-age and after death; for making available to that same public medical care as needed : and for subsidising families, bringing up young children. This in effect is the definition implicit in the social security (minimum standards) Convention, 1952, adopted by the International Labour Conference in that year. Its aim is to draw up:
- (a) Comprehensive and co-ordinated cover of all the contingencies which, without fault on his part, cause the wage-earner temporary or permanent loss of earnings medical care and family allowances
 - (b) extension of this protection to all adults in the measure of their need for it and to their dependents ;
 - (c) assurance of benefits that, though moderate in amount, are sufficient to maintain a socially acceptable standard of living, and are granted in virtue of a definite legal right ;
 - (d) financing by such methods as maintained in the mind of the persons protected a fair notion of the cost of the benefits he receives but, at the same time, invoke a wide application of a principle of solidarity as between rich and poor, male and females,

the working population and those too young or too old to work, the robust and the delicate.

In framing the social security (minimum standard) Convention, 1952, the I.L.O. gave equal recognition to benefits proportionate to wages and to benefits based on the cost of subsistence.

Social Insurance :

22. (1) At the basis of any reconstruction of Economic Institutions must be the conception of social insurance. Exactly as an individual seeks to safeguard his dependants against the consequences death by life assurance so must society protect itself against the avoidable risks of modern life by insurance against them. A non-insured class is always a burden upon society.
- (2) The sphere of compulsory insurance is the protection of the community against inevitable social loss and the corollary of such protection is the maximum possible return to the injured person within the area that it covers.
- (3) Equality in the political relationship of any community in any country.
- (4) Distribution of Economic power vis-a-vis distribution of political power.
- (5) Compensation.
- (6) Transformation.

Half a century has passed since Methu Arnold warned the English people to choose equality and abjure greed. The warning has universal significance. No nation can hope to survive, no civilization has ever survived in which there is a permanent division of its people into rich and poor, privileged and under privileged, haves and have not. This has a message for us in Bangladesh. The sooner we take note of it and act upon it, the better.

In Denmark and Switzerland, a form of subsidized voluntary insurance still exists to some extent in the sickness branch, with benefits mainly in kind, being provided for a larger majority of the population.

The German social insurance system was introduced in three stages : sickness insurance in 1883, employment injury insurance in 1884. and

invalidity and old-age insurance in 1889, all of them applying compulsorily to wage earners in industry. The example of Germany was soon followed by Austria and, at a distance of 30-40 years by the United Kingdom and other countries of Europe, the U. S. S. R. and Japan.

Training, Research and Studies :

23. Arrangement of training facilities for personnel who are responsible for social security scheme in Bangladesh may be immensely helpful for better administration and smoother operation of social security scheme as a whole. The research and studies undertaken by the ILO provide the foundation for ILO's standard-setting and technical co-operation activities. These studies and research could be classified into the following three broad groups :

- (a) **Policy and standards :** mainly studies providing the basis of international standards, and studies prepared for use at the regional level, primarily through regional conferences ;
- (b) **Specific subject :** including the elucidation of actuarial techniques, studies directed towards the needs of developing countries, comparative studies ;

and (c) training oriented publications which are designed for social security administrators and executives.

24. For smooth running of industries, better performance of workers and greater output, it is imperative that a regular permanent pool of trained and experienced work force is built and maintained to meet the need of the production sector, such as mills and factories.

The trained, skilled and efficient workers are obliged to leave their work place when their income falls, level of income is not maintained and also is not provided with proper medical care and attention when they are sick. They go home. Besides, they also leave the factories, mills and other work places at the time of sowing and harvesting to assist their agro-based brothers and relations and in some cases they go home or leave the work premises without formal leave. Even when they go on leave, they over stay, if they find that temporary persueance of a vocation casual in nature is more profitable than the one he has in the industry. This is born of the apathetic attitude towards the whole pattern and system of industrial life. His job in

the industry has no charm or attraction for him as it does not provide him with proper social security that can be effective for income maintenance and proper medical treatment during prolong sickness providing incentive to the workers to stay in the jobs.

However, while introducing social security schemes in order to thwart the retardation of Industrial progress by way of creating enthusiasm and a sense of participation amongst the workers, it is important to introduce a four principle methods of providing statutory social security protection as the employer's sole responsibility to meet the cost and to directly make the benefit of such social protection available to their workers qualifying for such benefits under rules. Introduction of compulsory provident fund and group insurance scheme, income protection and social insurance scheme and medicare are matters of consideration.

As a check to the tendency of a powerful reactionary coterie in the administration, management and among public representatives against the purpose of this scheme creating obstacles on many other grounds including one that of incidental and organizational costs, it is proper to put statutory limit on administrative expenditure and right to discretion.

25. In order to attain a sustained and planned economic growth, a constant increase of productive force and a steady improvement, it is necessary that a system of rural Social Security programme providing basic necessities of life, including food, clothing, medical care, shelter, education, right to employment and right to form and chose the government is introduced.
26. With regard to the discussions made above, I would now like to make an objective study of the provisions of our existing Laws and enactments relating to social security measures to stress the need of early introduction of social security measures for the industrial progress and the economic development, security against unemployment and sickness, wanton need and privations, political stability and peace for which no human endeavour is considered too high to make:-

- (i) The per capita average income in Bangladesh is less than 100 U.S. dollar (about \$75 U.S. dollar). The low income group of public and private sectors including the government servants can hardly save anything for rainy days. The compulsory saving scheme through provident fund and Benevolent fund schemes are sure to stand them in good stead in time of need. These provisions for future contingencies will create confidence in a person no matter, whatever stations of life he may belong to, that generates active cooperation and genuine participation in work promoting productivity and social well-being;
- (ii) **Central Employees Benevolent Fund and Group Insurance Acts of 1969** were passed by the Central Government of Pakistan for the benefit of the government employees;
- (iii) **East Pakistan Government Servants' Benevolent Fund Ordinance, 1968 and East Pakistan Government Servants' Group Insurance Ordinance,** were passed in 1968 and 1969 respectively;
- (iv) **Workmen Compensation Act:** This Act designed to make provision for payment of compensation for employment injury, occupational diseases etc. was passed in 1923 and amended in 1957 :
- (v) **Bengal Maternity Benefit Act 1939 ;** Bengal maternity act was passed in 1939 providing for some maternity benefits to the female workers before and after child birth at the rate and manner prescribed in the law ;
- (vi) **East Bengal Maternity Benefit (Tea Estate Act 1950) :** This was passed in 1950 designed to regulate the employment of a woman worker in tea factories and plantation for certain periods before and after child birth. In 1974, this law was amended to calculate the benefit on the basis of average monthly or weekly earning ;
- (vii) **Plantation Employees Provident Fund Ordinance of 1959 :** Unlike other industrial sectors in Bangladesh, introduction of compulsory provident fund scheme for the tea garden workers under the plantation employees provident fund ordinance, 1959 has been a measure of a beginning of a new dimension in the field of social consciousness. The government issued the rules regarding the application and the implementation of this ordinance in 1960 ;

- (viii) **Employees Social Insurance Ordinance 1962** : This ordinance was promulgated in 1962 providing for maternity, sickness, employment injury benefits and burial expenses to the worker concerned. But this ordinance was not implemented for reasons which we are yet to know.

Besides, the following Acts provide for some measures of social security in Bangladesh :

- (ix) **Bangladesh Employment of Labour (Standing Order) Act of 1965** : Provides lay-off benefit due to temporary closure of the undertaking, some meagre unemployment compensation due to termination of, discharge and retrenchment from employment at the prescribed rates for workers engaged in shops, commercial and industrial undertakings excluding those who lose their jobs due to misconduct or misdemeanour ;
- (x) **Bangladesh Factories Act and Bangladesh Shops and Establishment Act of 1965** : make provision for 15 days sick leave for the workers. Besides, the workers are entitled to a medical benefit at the rate of Taka 20/00 per month under the recommendation of Industrial Worker Wage Commission ;
- (xi) **Group Insurance Scheme** : Under insurance scheme, the sum assured is, all being well, paid to the members/heirs of the employee after his death or to him during his life time after his retirement according to prescribed rule. The question for increase of the rates of payment of the assured sum is under active consideration of the authority.

An Integrated Social Security System :

27. An integrated social security system providing protection against unemployment should be considered because of the fact that the workers contribute to the economic development of the country and social progress, industrial peace which is the sinequanon to increased productivity, progress and overall economic development of the country. This is essential for the developing country like Bangladesh as it creates environment conducive to achieving economic growth by accelerating the pace of industrial, commercial and agricultural development.

28. This pre-supposes adequate knowledge of the objective, the clear cut ideas of the target and the occupational experiences and professional acumen, technical know-how, better environment, human condition congenial to better labour-management relation, willing cooperation and mutual appreciation of problems and better performance of the community of happy and contented workers/enjoying essential facilities granted under progressive social security system. It is therefore, necessary, in the interest of the developmental growth, industrial and commercial progress and sound economic growth rate to ensure fuller use of skill, active and willing participation in work through the introduction of a comprehensive plan for social service covering all aspects of contingencies.
29. Whatever social security measures may be introduced for the people of different vocation life, uniformity in its character for same people or different categories of people deserves very high consideration in order to maintain neutrality and equal application of law to make the following benefit available under the scheme to each and every one entitled to it :—
- (a) Provident fund benefit ;
 - (b) Gratuity ;
 - (c) Retirement benefits ;
 - (d) Sickness benefit;
 - (e) Unemployment Insurance benefit ;
 - (f) Maternity benefit .
 - (g) Death grant in case of death following sickness ;
 - (h) Medical care during sickness and maternity ;
 - (i) Injury benefits ;
 - (j) Disablement pension ;
 - (k) Disablement gratuity ;
 - (l) Survivors pension ;
 - (m) Death grant in case of death resulting from employment injury; and
 - (n) Medical care in case of employment injury.
30. However, Bangladesh in its given position may not find it convenient to undertake an action oriented scheme right at this moment but the urgency has to be recognised, unanimous plan drawn up and considered for gradual implementation with the help of different

International Agencies to help Bangladesh to tide over the difficulties both economic and social that have over taken her after the war of liberation. In the due discharge of the responsibility of the Government of Bangladesh to the people, the generous assistance from I.L.O., UNDP and other International Agencies to implement the projects and schemes as discussed in order to help Bangladesh to cut down her perenial dependence on others enabling her to take an appropriate position amongst the more fortunate in the committee of nations would be most warmly and gratefully appreciated.

SOCIAL SECURITY IN BANGLADESH GROWTH, TRENDS AND PROBLEMS*

by
K. M. N. HAQUE**

INTRODUCTION

The purpose of this paper is rather limited in nature. I have confined myself to an evaluation of the current trends in social security measures adopted by employers in the private sector. For this purpose, I have looked at a cross section ranging from some of the smallest to the largest in the country. I find that although there may not exist a formal integrated social security programme, as known in some of the developed countries, the progress so far achieved in the private sector is quite encouraging.

METHODS OF PROVIDING SOCIAL SECURITY

The broad headings under which social security is provided in the private sector are as follows :

1. Medical Care
2. Sickness Benefits
3. Maternity Benefits
4. Employment Injury and Occupational Disease Benefits
5. Retirement Benefits
 - (a) Provident Fund
 - (b) Pension Fund
 - (c) Gratuity
6. Group Insurance
7. Health and Welfare Services
8. Unemployment Benefits—Involuntary Unemployment.
9. Workers Participation in Profits.

I will now describe briefly and analyse the levels of actual benefits that are provided to employees under the different heads :

* This paper is confined to an evaluation of the current trends in social security measures adopted by employers in the private sector.

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1. Medical Care

In the majority of cases reviewed, employees are provided with dispensary level preventive treatment. In a fair number of cases, the same type of treatment was also provided to the immediate family members, i.e. wife and children, upto specified age groups. In some instances, actual family treatment was substituted by a suitable medical allowance which ranged from Tk. 20/- to Tk. 60- per family per month.

A very significant current trend noticeable is workers preference to settle for cash medical allowance in lieu of actual treatment. In a large number of cases, such preference is prompted by the fact that families of workers in the majority of cases do not live with the workers and they are, therefore, unable to take advantage of facilities for treatment provided by the employer at the work place. In a limited number of cases, surgical treatment in a hospital is also allowed.

2. Sickness Benefits

It was found that apart from the statutory sick leave, employers in the private sector were providing for special leave cover in cases of prolonged sickness and Tuberculosis. The sick leave benefits range from 15 days per year upto about six months under special circumstances.

3. Maternity Benefits

Maternity benefits are regulated by statutory provisions made under the Maternity Benefits Act which provide for six weeks maternity leave before confinement and six weeks after. In many cases, antinatal and post-natal care is also covered by employers. The establishments-surveyed employ very limited numbers of female employees which by and large is restricted to pharmaceutical industries and secretarial employees in commercial offices.

4. Employment Injury and Occupational Disease Benefits

All benefits under this heading are regulated statutorily under the Workmen Compensation Law. However, in some cases, provisions made by employers for dealing with temporary disability were found to be more generous than those provided by Law.

Currently, the Workmens Compensation Law is under revision and it is generally expected that after the revisions have been carried out, the scales of compensation on account of accident, death etc. would be considerably enhanced.

5. Retirement Benefits

- (a) **Provident Fund-** In the majority of cases surveyed, retirement benefits for workers consisted of contributory Provident Fund and Gratuity payment. In at least two cases, there was, in addition, a Pension Scheme also in force.

Contributory Provident Fund ranged from 6% of basic wages to 12% of basic wages. In most cases, Provident Fund contribution were substantially enhanced with the merger of basic pay with dearness allowance some years back.

Although, Provident Fund is primarily intended as a retirement benefit, in actual practice it is seen that due to rather liberal rules governing advances against Provident Fund, there exists a tendency to withdraw money very frequently for reasons which are not always convincing. This tends to defeat the purpose for which Provident Fund has been set up.

- (b) **Gratuity-** Gratuity is paid on separation from employment. The minimum qualifying period ranges from five years to ten years and payments are made on a graduated scale and the range varies from a minimum of 15 days pay per year of service to 30 days per year, usually after completion of 15 years of service. The maximum ceiling for Gratuity ranges from 15-20 months pay. However, in one instance, the ceiling has been removed. Gratuity payment is made on the actual number of years of service put in.

7. Health and Welfare Services

In many cases, a clinic under the supervision of a Medical Officer is provided at the work place. In addition, in the case of some large employers, provision has been made for workers canteen which serve refreshments and cooked meals. The meals, etc. provided from the canteen are usually heavily subsidised.

8. Unemployment Benefits—Involuntary Unemployment

While it is recognised all over the world that unemployment benefit is primarily the responsibility of the State, there exists certain statutory provisions under the Standing Orders Act which provides for financial assistance to workers, who may be laid off as a result of involuntary unemployment, or retrenched on account of discontinuance of work.

9. Workers Participation in profits

Although the benefit derived from workers participation in profits to the extent of $2\frac{1}{3}\%$ of gross profit, may not be classified as a direct social security measure, there is no doubt that the provision for such additional cash emoluments contribute to the general wellbeing of the workers and to that extent, promotes social security. This is particularly true because of the fact that under the statute which provides for the benefits, the main emphasis is on granting such benefits to low paid employees, the present ceiling being Tk. 1,000/- per month.

CONCLUSIONS

The conclusions I have drawn from the survey undertaken is that the current practices in respect of social security measures adopted by employers in the private sector are, by and large, satisfactory. There is, therefore, in my opinion no immediate need for any integrated social security scheme.

In this connection it should also be noted that except for such measures as are governed by statutes, the remaining social security measures described in this paper have steadily improved over the years as a result of free collective bargaining in the private sector. A good example of this is the progress made in the contributory Provident Fund which has moved from a base rate of 5% to 10% of wages.

As a practising Personnel Manager, I am of the opinion that the area in which there is some need for concerted action by Government and employers jointly, is providing for insurance against workmens compensation, employment injury and death benefit. It is recalled that some years back, an I.L.O. Mission had done considerable work in this area and some of the recommendations were later implemented in Pakistan.

However, it is worth mentioning from the experience of some of the other countries, namely Pakistan, that workers in the private sector in particular, who are used to a rather generous medical care plan, find facilities provided under Government sponsored social security schemes much below their present level. It is, therefore, my considered view that no hasty steps should be taken to apply a social security scheme throughout the country irrespective of the needs and the conditions in which they are currently placed: It should proceed on a selective basis according to the needs of the sector industry concerned and in the ultimate analysis be compatible with the stage of economic development of the country as a whole.

CONCLUSIONS AND RECOMMENDATIONS

Third Session

Mr. Hafiz, tracing the history of origin, growth and trend of the concept of social security citing examples from various countries. He described the different social security measures adopted in Bangladesh through legislation. He opined that social security so far introduced is inadequate. He preferred a comprehensive scheme to be introduced but suggested that since our resources are meagre it may be introduced by phases.

Mr. Shah A. Halem in his paper described in some detail the necessity of different social security measures. He also advocated a comprehensive social security scheme and recommended it to be introduced in a phased manner, compatible with our financial resources. Mr. K. M. N. Hoque, in his paper, described the different social security measures now obtaining in the private sector. He opined that we should not take any hasty steps without extensive study about their feasibilities.

Finally the following provisional recommendations were adopted with active participation from the house :

1. Comprehensive study with expert participation may be made by a tripartite Committee consisting of the representatives of the workers, employers and the Government to locate the areas where the social security measures already existing may be widened as well as new areas where we may enter for providing social security including Group Insurance and Provident Fund.
2. Further studies should be made about Employees Social Insurance Ordinance, 1962 for exploring the possibility of its implementation.

- (b) dies during the continuance of his employment or in case of a retired employee if he dies before attaining the age of 60 years.
- (c) he or, in the event of his death, his family shall be entitled to receive a benevolent grant from the Benevolent Fund for a period of 10 years or up to the date on which the employee attained or might have, if he were alive, attained the age of 60 years whichever is earlier.

Rate of Grant from Benevolent Fund :

Pay slab :				Rate of monthly grant :	
Not more than Tk.	100	....	...	Takas	50
More than Tk.	100	but not more than Tk.	200	„	75
-do-	200	-do-	300	„	100
-do-	300	-do-	400	„	125
-do-	400	-do-	500	„	150
-do-	500	-do-	600	„	175
-do-	600	-do-	700	„	200
-do-	700	-do-	800	„	225
-do-	800	-do-	900	„	250
-do-	900	-do-	1000	„	275
-do-	1000	-do-	1100	„	300
-do-	1100	-do-	1200	„	325
-do-	1200	-do-	1300	„	350
-do-	1300	-do-	1400	„	375
-do-	1400	-do-	1500	„	400
-do-	1500	-do-	1600	„	425
-do-	1600	-do-	1700	„	450
-do-	1700	-do-	1800	„	475
-do-	1800	and above	...	„	500

In addition to above the following financial assistance are also given from the Benevolent Fund :

- (1) Award of scholarships to the children of the deceased Government employees at the rate as decided by the Board.

- (2) Special Grants, at the rate as decided by the Board, for the distressed Government employees in event of accident or natural calamities.

GROUP INSURANCE

8. Under Group Insurance Scheme, sum assured is paid to the members of the deceased Government servants according to the following chart :

	Sum assured
In case of Government servant receiving monthly pay :	Tk.
Not more than one hundred and fifty Taka per mensem	... 2,000.00
More than one hundred and fifty Taka but not more than five hundred Taka	... 5,000.00
More than five hundred Taka but not more than seven hundred and fifty Taka	... 10,000.00
More than seven hundred and fifty Taka but not more than one thousand Taka	... 15,000.00
More than one thousand Taka but not more than one thousand and five hundred Taka	... 20,000.00
More than one thousand and five hundred Taka	... 30,000.00
Steps are under consideration for increasing the above rates of assured sum.	

After the emergence of Bangladesh, the Board received in all 4,501 claim cases for payment of Benevolent Grant, of which claims for 3,773 cases have been settled and a total fund of Tk. 1,18,38,355.77 have been paid to the members of the bereaved family as Benevolent Grant.

As regards payment of assured sum under Group Insurance Scheme, in all 7,185 claim were received, of which 5,779 claims have been settled, for which a sum of Taka 2,12,07,005/- has been paid.

ROLE OF BENEVOLENT FUND AND GROUP INSURANCE SCHEME IN THE ECONOMIC DEVELOPMENT OF BANGLADESH.

9. Bangladesh is one of the developing countries whose per capita income is below 100 U. S. dollar. This being the position, it is hardly possible to encourage or expect savings from the low income groups particularly the Government employees. It is through some inducement

incentive that they can be cajoled to part with a portion of their meagre income for savings/investment in development work. This strategy has proved a success in the case of Group Insurance and Benevolent Fund Scheme. The employees do not mind the subscription nor being realised from their salary for this purpose because of the prospect of getting some relief when needed most. Hence it has been found to be a dependable source of generating domestic savings. At the moment an amount of Taka 7.6 million has been rendered surplus after meeting all the obligations under this scheme and this amount has been invested to various national development work through Banks. This process of generating savings being continuous, it is expected that over the years, this fund will grow bigger and bigger in size, and be able to contribute its share in a larger scale to the economic development of the country.

RATIONALISATION AND RE-ORGANISATION OF BENEVOLENT FUND AND GROUP INSURANCE SCHEME.

10. With the emergence of national Government, it has been felt necessary to rationalise and re-organise thoroughly the existing schemes for making it a broad based one so that it can provide effective service to all Government employees throughout Bangladesh. Moreover, proposals are under consideration to extend the benefits beyond its existing limit particularly to cover retired Government employees and Pensioners.

BACKGROUND INFORMATION ON SOCIAL SECURITY MEASURE FOR TEA GARDEN WORKERS IN BANGLADESH

BY

M.K.A. SIDDIQUI

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1. Concepts of Social Security arises out of the concept of providing protection for all the members of the society against unemployment, illness, disablement and old age. Adoption of social security measure for the members of a society or State is dependable on its social, political and economic condition. While it may not be possible for State for adopting overall Social Security Measures for all its members in consideration of its social, political and economic consideration, almost the states in the world depending on its social, political and economic condition are supposed to be providing some sort of social security measures for their working or wage earner groups of people.

BANGLADESH CONSTITUTION ON SOCIAL SECURITY :

2. The constitution of the People's Republic of Bangladesh provides in Section 15 that it shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the People with a view to securing to its citizens, the provision of the basic necessities of life, including food, clothing, shelter, education and medical care, right to guarantee employment and the right to social security, that is to say, public assistance in cases of unserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases.

SOCIAL SECURITY MEASURES FOR GOVERNMENT EMPLOYEES :

3. There is already provision for pension and gratuity in the form of monetary benefit for the Government employees on their retirement from service or for their dependants in the event of their death.
4. Besides, according to "Government Servant Benevolent Fund Ordinance and Rules, 1968" and "Group Insurance Ordinance and Rules, 1969" there are benevolent fund scheme also for them. The Government servants are to subscribe to the benevolent fund a certain

portion from their salary each month. As for the Group Insurance Government Servants, in the executive service only, are to pay the premium by way of pay-cut from their monthly salary, while the premium for the non-executive government servants, it is paid by the Government.

5. According to the Benevolent Fund Scheme, Government servants may take loan from this Fund on certain specific ground during their employment. The Board constituted by the government officials for administration of the Fund may also grant a lump-sum relief from this Fund to a Government servant according to his pay slab in the event of his death and disablement. But with the retirement of a government servant he does not derive anything from this Fund. So the scheme covers the employment period only.
6. According to the Group Insurance Scheme nominee or legal heir of a Government servant in the event of his death during his employment, will get the sum assured for the life of Government servant. But benefit of this scheme also ceases with retirement of Government servant. So save and except the pension and gratuity scheme there is no other security coverage for Government servant effective after their retirement from employment.
7. In case of the employees of the Autonomous and semi-autonomous organisation, there is contributory Provident Fund scheme under which the employees and employers are to subscribe at equal rate and the employees on his retirement get both the employees and employers contribution together with interest thereon. Besides, the contributory Provident Fund Scheme, in some cases, there is provision for gratuity or in some cases Group Insurance, the premium being paid by the employer. The employees on their retirement get gratuity on the sum assured for his life alongwith the Provident Fund money. In the event of death of an employee during employment his nominee or heirs may also get the monetary benefit under the above scheme.

SOCIAL SECURITY MEASURES FOR INDUSTRIAL WORKERS IN BANGLADESH :

8. As for the workers in the industrial and commercial enterprises there is no legal binding on the employers' or employees, for workers' future provision at their old age after retirement from service

or for their survivors in the event of their death during employment, except in the case of workers of Tea Industry in Bangladesh. Protection of workers against risk of accident and maternity benefit to the women workers in reference to International Labour Organisation convention are covered by the Workmen's Compensation Rules, 1924 and Maternity Benefit Rules 1953 issued or adopted by Government.

UNIQUE PATTERN OF TEA INDUSTRY :

9. Unlike other industries in Bangladesh Tea Industry is an unique and exception in its character. Tea industry is partly agricultural and is partly industrial. So it may be called an agro-industry. Due to its unique pattern and the Tea Estates being situated in the interior of the country, far away from the city and towns, the workers of the Tea Estate live within the confines of the garden and family rather than individual is considered to be the working unit. Male, female and children above the age of 12 years are workers of Tea Garden. Almost 50% workers of Tea Estates are female.
10. Previously almost all the members of a family of worker residing within Tea Estates over 12 years age used to get employment in the Tea Estate. But with the increase of population within the Tea Estate, now-a-days a good number of them remains out of employment. These people generally do not like to work anywhere outside the Tea Estate.
11. Most gardens provide small patches of land, free or on small rent, in which the family can grow their paddy and the privileges are greatly valued. They are also provided with housing by the management and ration for the workers and their dependants at subsidised rates. There are arrangements for medical facilities in each garden with a medical officer, compounder and a mid-wife and the workers and their dependants get medical care free of cost, according to the provision 10 of Chapter III of Tea Plantation Labour Ordinance, 1962.

PROVIDENT FUND SCHEME FOR TEA GARDEN EMPLOYEES :

12. Unlike other industrial sector in Bangladesh provision for Compulsory Provident Fund Scheme for the Tea Garden worker has been introduced under the Plantation Employees Provident Fund Ordinance.

nance, 1959 and Rules 1960 issued by Government. These Rules are applicable to all the Tea Estates in Bangladesh, which have completed its third year from the day of its first plantation or Establishment. The workers, except the managerial staff of these Tea Estate, who have completed 240 working days' in the garden in a year are eligible for enrolment as members of this Fund.

METHOD OF ENROLMENT AS A MEMBER SUBSCRIBING TO THE FUND :

13. Eligible employees who have completed 240 working days in the Tea garden having been enrolled as members of the Provident Fund subscribe 6% of their wages to the Fund every month. The employers' also contribute to the Fund equal to that of a Provident Fund member, The employers' while making payment to the workers deduct the required Provident Fund subscription from their wages. Bangladesh Plantation Employees Provident Fund is the only unique Scheme introduced by Government order and penal action has been provided in cases of refusal to subscribe to the Fund either by the employer or by the employee. There is no such compulsory scheme for workers of any industry other than Tea.

ADMINISTRATION AND MAINTENANCE OF THE ACCOUNTS OF THE PROVIDENT FUND :

14. Maintenance and administration of the Fund has, according to the above Ordinance, been reposed in a Trustee Board. The Board is Constituted by the Government with six members, two of which are from each of the employees and employers and two nominated by the Government for a term of 3 years with the scope of reconstruction of the Board on its termination of each term. The Director of Labour of Bangladesh Government is an Ex-Officio Chairman of this Board. The Controller of the Fund, who is also the Secretary of the Board, in consultation with its Chairman convene Board's meeting occasionally for taking decision in the matter of investment of the Provident Fund money in the approved manner as defined in the Government Ordinance and Rules as well as other matters relating to administration of the Fund. The Controller execute the Board's decision and with a band of staff maintain accounts of the Fund.

15. The employers within 15 day's from the close of every month is supposed to remit to the Controller of the Fund, the employees subscription and employer's contribution together with administrative charge which is leviable with variation of its rates from year to year as decided by the Board on the total of the employees and employer's subscription and contribution respectively, along with a statement showing realisation of subscription from the respective employees. The administrative charge is meant for bearing administrative expenditure of the Fund in the way of payment of salary of the Controller and his staff and other administrative cost of this Fund.
16. The controller keeps accounts of the Provident Fund of the respective Provident Fund members in the tea estate and makes payment of the same to the Provident Fund members on their retirement from service or to their nominees/heirs on the ground of their death against Provident Fund members nominees/heirs application channelled through the employers.

METHOD OF WITHDRAWAL OF PROVIDENT FUND ACCUMULATION

17. The Provident Fund members of the tea estate may withdraw Provident Fund accumulation inclusive of the employers shares and interest accrued thereon on ground of normal retirement from service with attainment of 55 years of age or on medical and voluntary ground. In case of retirement on normal and medical ground and on death of a Provident Fund member, the member himself and his nominee/heirs, as the case may be, are entitled to withdrawal of both the employees and employer's shares of subscription together with interest thereon, while retirement on voluntary ground within less than 15 years from the date of their enrolment as the members of the fund makes them liable to forfeiture of certain portion of the employer's shares.
18. The amount of forfeiture in the above manner in case of Provident Fund member's retirement on voluntary ground is added to the interest of the Fund and distributed among the existing Provident Fund members.
19. In case of dismissal on gross misconduct of an employee who is a Provident Fund member, employer's share of the Fund, may on the re-

commendation of the employer, be liable to forfeiture, which is appropriated in the same manner as the forfeiture on ground of voluntary retirement.

NUMBER OF PROVIDENT FUND MEMBERS :

20. Out of 116,000 total workers of the tea estates in Bangladesh about 100,000 workers are the members of Fund.

RECEIPTS OF PROVIDENT FUND SUBSCRIPTION :

21. Annual receipts of Provident Fund subscription and employer's contribution varies from Taka 30 lacs.

INVESTMENT OF PROVIDENT FUND :

22. The investment of Provident Fund in different approved institutions now stands at about three crores of Taka and with the maturity of the investment, the amount of the Fund with its interest is supposed to swell up to more than four and half crores Taka.

WITHDRAWAL OF PROVIDENT FUND ACCUMULATION ON GROUND
OF MEMBER'S DEATH AND RETIREMENT ETC.

23. The number of average withdrawal from the Fund on different grounds is about 4,500 yearly and number of new members are almost the same every year.
24. Since this is the sixteenth year of the introduction of Plantation Employees Provident Fund Scheme, a good number of workers attaining old age, have started to retire and a considerable number of old members are withdrawing Provident Fund accumulation on ground of normal retirement or medical ground. Besides, a considerable Provident Fund members died also in liberation war and number of withdrawal cases has been increased since liberation.
25. Due to abnormal commodity price-rise, particularly price-rise of food stuff, a good number of workers having been suffered from ill-feeding and malnutrition, have become physically weak or incapable for further work and these labourers are being replaced by new entrance by the employer to improve and increase production.

IMPACT OF TEA ON NATIONAL ECONOMY AND
DEVELOPMENT OF BANGLADESH :

26. Tea has been playing an important role in the national economy and development of Bangladesh. It has been earning a considerable amount of foreign exchange after meeting requirement of home consumption. It is one of the major employment giving industries of Bangladesh and is one of the main sources of revenue to Government in the form of duties and taxes. After Jute, tea is the largest foreign exchange earner in Bangladesh. During the year, 1972-73 it earned foreign exchange Taka 77300000/- (Statistical Digest Bangladesh No. 9 : P.85).
27. There are supposed to be enough vacant suitable land within the tea estates and other places in the tea belt district of Sylhet and Chittagong, having scope of extension of the existing tea plantation and establishment of new plantation, which may open up new job opportunity for the unemployed person as well as contribute to an addition of foreign exchange earning and government revenue. Before liberation there was Government instruction of compulsory 3% extension programme of existing tea plantation annually. This extension programme has been suspended after liberation due to unfavourable financial position of the tea estate.

CONCLUSION

28. Re-introduction of compulsory extension scheme of average of Tea Plantation at the rate of certain percentage of existing average annually, as was in force before liberation, may give way for job opportunity or employment of at least some unemployed personnel now in almost every Tea Estate without work. Further, as Bangladesh Tea is now finding its way into world tea market, more production would fetch more foreign exchange and revenue for wellbeing of national economy
29. Introduction of compulsory Provident Fund Scheme for all the industrial workers and workers of the commercial enterprises in Bangladesh with responsibility of enforcement of the scheme and its administration being entrusted to a central body with proportionate representation from all such sectors under the direct superintendence of government, as it is now in the case of Tea Estate, will perhaps go a long way towards arrangement of Social Security Measure for the working classes of these sectors. Such a central body may be able

to have the correct statistics of how many workers in different sectors are really being benefited by the proposed scheme and what is the amount involved in such scheme.

30. At present there may be Provident Fund Scheme or similar other system for a section of workers in some industrial or commercial enterprises and the same is supposed to be administered by the respective enterprises and there is no central organisation which may keep data of such arrangement of all the above enterprises in Bangladesh.
31. Further, the money involved in such scheme is supposed to be invested by respective organisation or by a body consisted of representative of workers and employers of such organisation at their own accord without having any control over them by any central organisation. Had there been an uniform scheme for all the workers of different sector under control of a central organisation under the superintendence of government or a body constituted by government, there would have been available correct data or statistics as to what amount of money is involved in the scheme and what are actual number of workers being benefited by it. Further, had such a large amount of accumulations of money been invested in the government security or in the institutions approved by the government, it would have gone a long way to economic and national development of the country.
32. Whatever, Social Security Measure may be adopted for the workers, uniformity in its character for same class or classes of workers deserves main consideration in order to avoid resentment among them.
33. Finally, training facilities within or outside of the country on Social Security Measure of personnels who are engaged in such scheme in Bangladesh may be of immense help for better administration of Social Security scheme as elaborated herein-before.

CONCLUSIONS AND RECOMMENDATIONS

Fourth Session

Conclusions

On the basis of an examination of the existing social security measures obtaining in government and in plantations, and especially on the basis of deliberation on the Benevolent Fund and Group Insurance Schemes in the government sector and the Provident Fund Scheme in the plantations, the participations came to the conclusions that :

1. Existing provisions need review and revision in view of the higher cost of living as well as increase in the pay-slab of the employees ;
2. the existing arrangement for advances, loans and grants given from the Funds and Insurance need also to be reviewed and the system of giving annuity to employees, while in job, may be considered and
3. the investment provisions from the constituted funds may be reviewed in the light of prospects of investment in other sectors.

Recommendations

1. the existing provisions for Group Insurance, Benevolent Fund and Provident Fund for the Government employees should be studied in the overall perspective of an integrated social security system, which should be uniformly applicable ;
2. the proposal for granting annuity in association with pension the provident Fund may be presented to the authorities for consideration ;
3. the provision for loans from the Plantation Provident Fund by the contributors may also be examined ;
4. the Government should contribute equally to the Government Servants Provident Fund in line with Employees Contributory Provident Fund ;
5. the grant from the Benevolent Fund for a period of 10 years or upto the date on which the employee attained or might have, if he were alive, attained the age of 60 years, whichever is "later" instead of "earlier" may be considered ;
6. the Government should simplify the procedure of disbursement of all funds and claims including pensions, provident fund and final settlements, as the present procedure is not very easy and causes delay and great hardship.

FIFTH SESSION
SOCIAL SECURITY AND NATIONAL
ECONOMY OF BANGLADESH.
BY
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INTRODUCTION

1. The purpose of this paper is to provide a basis for undertaking systematic planning exercises to identify priority areas of social security and embark on modest programmes taking into account the national economy of Bangladesh. It will indicate how national development can be promoted through effective utilisation of social security resources and help determining self-financing mechanism of Social Security Scheme.
2. In the first place most social security programmes help to promote the stabilisation of labour force. The expectation of deriving social security benefits from statutorily established programmes invariably succeeded in getting the labour force committed to their work. This helps to reduce labour turnover and absenteeism.
3. The medical care provided within the frame-work of social security helps in safeguarding the general health of the labour force. A healthy worker is a more productive worker; such programmes promote national development. With limited financial resources available at the disposal of national government, it is often difficult to devote the necessary funds for both curative and preventive aspects of health protection. On the other hand, a selfsupporting medical care programme based on contributions of workers and employers could provide the most necessary financial base to provide health care to workers and their families. Social security programmes have been recognised as important tools to bring-out re-distribution of incomes between population groups. In the first place, there is 'horizontal' distribution of income from the healthy to the sick, from those who work have retired from the working force. The 'vertical' re-distribution income takes place through the financial mechanism and benefit, formulas built into the social security system whereby the lower paid workers would be subsidised substantially by their more affluent confreres.

4. The most significant contributions of social security programmes relate to the resource mobilisation that becomes possible from the operation of social security programmes. In large number of developing countries in Asia, the social security resources are utilised for development planning purposes. Although, the potentiality of social security resources for development plan financing are present in most schemes, a definite set of investment criteria is usually evolved to safeguard the security of the resources so that funds become available when benefit payments from social security become due.
5. There is a great need for social security in Bangladesh, as is evidenced from the high incidence of accident injuries, disabilities and death (Table I). Despite the sign of recovering of the growth of the economy through the early part of this year, the national average income is still too low and it keeps almost the entire population at subsistence level.

There is thus little or no margin of safety for various contingencies, which cause need and destitution. The Government is alive to this situation and recognising that improvement of the conditions of workers is necessary and will help to promote stability of employment, industrial peace, productivity and economic progress, intends to give priority to the introduction of a Social Security Scheme. The First Five Year Plan of Bangladesh stressed that extensive workers' welfare measures would be undertaken. In order to remedy serious short-comings in this field, it specifically stated that workers hospitals will be established in five industrial zones, and that "Accident Insurance whilst on duty" will be provided on a restricted basis in some industrial areas. The Industrial Workers' Wages Commission in its report recommended, inter-alia, that medical facilities should be provided to workers through Health Insurance Schemes and also advocated for the introduction of certain retirement benefits.

6. In accordance with the recent population census result, the population of Bangladesh has been enumerated over 71 million. In spite of the urban population, more than doubling since the last population census in 1961, it still represented less than 9% of the total population. The age-structure revealed by the census is that about 35.8% of the total population are between 0-9 years (Table II). Literacy which is the factor in the introduction of a Social Security Scheme, has improved considerably since 1961, but is still at a relatively low overall level of 29.9% for the country as a whole (Table III).

7. The statistics of the labour force have a direct significance for the planning of the Social Security Programme. The 1974 Census revealed that the civilian labour force numbered 25.2 million or 35.2% of the total population of which 55.4% was classified as agricultural (Table IV). Out of 25.2 million civilian Labour force 24.3 million are working whereas 0.88 million seeking work which constitute 1.2% straight unemployed (Table V). The information derived from the Annual Establishment Enquiry, 1974 and the Annual Return on Labour Welfare, 1974 which cover both the private and public sectors in respect of establishments with 20 or more employees shows that the industrial labour force is between 12 to 14 lakhs (Table VI, VI-A & VI-B). This information may serve the basis or may be useful for the planning of Social Security Scheme in a specific section of the population. It is, however, the availability of better data which make it possible to identify those sections of the population who stand in greatest need, and whose living standards need to be raised to an acceptable minimum in the context of policies for a better distribution of income.

ACCIDENTS AS DEFINED IN THE FACTORIES ACT AS REPORTED FOR 1975 TABLE I

Causes	Fatal	Serious	Minor	Total
1. Prime Movers	—	11	54	65
2. Lifting Machinery	1	17	109	137
3. Working Machinery	3	546	2398	2947
4. Falling Objects	3	71	155	229
5. Persons falling	4	27	56	87
6. Rolling Stock	—	35	181	216
7. Hand Tools	—	26	219	245
8. Electricity	4	8	13	25
9. Poisons, Corrosive substance & Occupational Diseases.	4	6	16	26
10. Explosion and Fires	1	13	22	36
11. Miscellaneous	—	9	30	39
12. Unclassified	3	6	14	23
TOTAL :	23	775	3267	4062

Source : Mr. D. H. Brown—Draft Project on Development of a National Safety Council and Strengthening of the Factory Inspectorate.

TABLE II

POPULATION BY AGE-GROUPS AND SEX 1974.

Division	Sex	0-4 Years	5-9 Years	10 Years And over	Total Population
Dacca	Both sexes	35,13,049	40,31,790	1,37,71,228	2,13,16,067
	Male	17,47,165	20,51,585	73,33,742	1,11,32,492
	Female	17,65,884	19,80,205	64,37,486	1,01,83,575
Chittagong	Both sexes	30,61,080	34,55,130	1,21,19,967	1,86,36,177
	Male	15,45,252	17,72,509	63,91,244	97,09,005
	Female	15,15,828	16,82,621	57,28,723	89,27,172
Rajshahi	Both sexes	30,05,208	34,90,337	1,08,36,008	1,73,31,553
	Male	14,93,452	17,66,043	56,49,687	89,09,182
	Female	15,11,756	17,24,294	51,86,321	84,22,371
Khulna	Both sexes	23,67,045	27,08,293	91,19,936	1,41,95,274
	Male	11,84,644	13,69,147	47,67,170	73,21,061
	Female	11,82,401	13,39,046	43,52,766	68,74,213
Bangladesh	Both sexes	1,19,46,382	1,36,85,550	4,58,47,139	7,14,79,071
	Male	59,70,513	69,59,384	2,41,41,843	3,70,71,740
	Female	59,75,869	67,26,166	2,17,05,296	3,44,07,331

TABLE III

LITERATES BY SEX 1974.

Division	L I T E R A T E S 1974						Variation of Literates Over 1961 In Percentage			
	Both Sexes			Male		Female		Both Sexes	Male	Female
	Number	Percen- tage	Number	Percen- tage	Number	Percen- tage				
Dacca	36,44,052	20·5	25,61,789	27·3	10,82,263	12·9	62·4	49·9	102·3	
Chittagong	38,17,230	24·5	26,89,814	32·9	11,27,416	15·2	50·8	38·7	90·5	
Rajshahi	26,58,789	18·6	19,53,814	26·3	7,05,065	10·2	52·9	41·2	98·9	
Khulna	30,68,447	25·9	20,95,350	34·1	9,73,097	17·1	73·9	55·9	131·7	
Bangladesh	1,31,88,608	22·2	93,00,767	29·9	38,87,841	13·7	59·3	45·9	104·5	

TABLE IV

CIVILIAN LABOUR FORCE 1974 BY SEX

Division	Sex	Civilian Labour Force				Civilian Labour force as a% of population			
		Total		Working		Seeking Work		Total	
		Total	Working	Seeking Work	Total	Working	Seeking work	Total	Working
Dacca	Both Sexes	74,42,254	72,16,612	2,25,642	34·9	33·9	1·1	34·9	33·9
	Male	56,81,227	54,90,260	1,90,967	51·0	49·3	1·7	51·0	49·3
	Female	17,61,027	17,26,352	34,675	17·3	17·0	0·3	17·3	17·0
Chittagong	Both Sexes	66,18,188	62,57,433	3,60,755	35·5	33·6	1·9	35·5	33·6
	Male	48,86,558	45,76,134	3,10,424	50·3	47·1	3·2	50·3	47·1
	Female	17,31,630	16,81,299	50,331	19·4	18·8	0·6	19·4	18·8
Rajshahi	Both Sexes	65,99,308	64,43,331	1,55,977	38·1	37·2	0·9	38·1	37·2
	Male	46,53,578	45,24,848	1,28,730	52·2	50·8	1·4	52·2	50·8
	Female	19,45,730	19,18,483	27,247	23·1	22·8	0·3	23·1	22·8
Khulna	Both Sexes	45,21,578	43,86,368	1,35,210	31·9	30·9	1·0	31·9	30·9
	Male	35,19,001	34,02,756	1,16,245	48·1	46·5	1·6	48·1	46·5
	Female	10,02,577	9,83,612	18,965	14·6	14·3	0·3	14·6	14·3
Bangladesh	Both Sexes	2,51,81,328	2,43,03,744	8,77,584	35·2	34·0	1·2	35·2	34·0
	Male	1,87,40,364	1,79,93,998	7,46,366	50·6	48·5	2·0	50·6	48·5
	Female	64,40,964	63,09,746	1,31,218	18·7	18·3	0·4	18·7	18·3

TABLE V

AGRICULTURAL LABOUR FORCE 1974.

Division	Sex	Agricultural labour force 1974	Agricultural labour force as a percentage of		Variation over 1961 (Percentage)
			Total popula- tion 1974.	Civilian la- bour 1974	
Dacca	Both sexes	40,16,861	18.8	54.0	—5.1
	Male	36,79,935	33.1	64.8	
	Female	3,36,926	3.3	19.1	
Chittagong	Both sexes	33,88,261	18.2	51.2	—29.6
	Male	30,31,220	31.2	62.0	
	Female	3,57,041	4.0	20.6	
Rajshahi	Both sexes	40,62,221	23.4	61.6	22.6
	Male	36,12,817	40.6	77.6	
	Female	4,49,404	5.3	23.1	
Khulna	Both sexes	24,93,400	17.6	55.1	—0.8
	Male	23,87,629	32.6	67.8	
	Female	1,05,771	1.5	10.5	
Bangladesh	Both sexes	1,39,60,743	19.5	55.4	—6.1
	Male	1,27,11,601	34.3	67.8	
	Female	12,49,142	3.6	19.4	

TABLE VI

INDUSTRY-WISE APPROXIMATE LABOUR FORCE (1973-74).

Sl. No.	Name of Industry	Number of Workers		Total
		Skilled	Unskilled	
1.	Jute (Manufacturing) Ind.	1,11,600	68,400	1,80,000
2.	Jute (Bailing & Pressing)	44,000	66,000	1,10,000
3.	Cotton Textile	42,000	28,000	70,000
4.	Match Factories	3,600	11,400	15,000
5.	Sugar Mills	7,400	9,600	17,000
6.	Printing Presses	16,250	8,750	25,000
7.	Paper Mills	2,940	3,060	6,000
8.	Rubber Industry	1,400	600	2,000
9.	Glass Factory	1,500	4,500	6,000
10.	Dockyard & Shipbuilding	3,000	2,000	5,000
11.	Tannery Industry	3,080	3,920	7,000
12.	Chemical	2,860	3,640	6,500
13.	Tobacco	1,100	3,900	5,000
14.	Engineering including Aluminium Enamel Industries etc.	26,400	13,600	40,000
15.	Food, Beverage and Biscuit Industry etc.	1,040	2,960	4,000
16.	Gas Fertilizer	1,500	3,500	5,000
17.	Tea Industry	2,040	99,960	1,02,000
Total :—		2,71,710	3,33,790	6,05,500
1.	Inland Road Transport	.....	.....	50,000
2.	Inland Water Transport	.....	.....	30,000
3.	Railway	.....	.....	60,000
4.	Other establishments	.....	.....	4,50,000
Total :—				5,90,000
Grand total :—				11,95,502

Source : Manpower Division, Ministry of labour and Social Welfare, Dacca.

TABLE VI—A

STATISTICS ON LOCATION OF INDUSTRY
AND THE LABOUR FORCE—1974

Division	Labour Force
Dacca	5,42,934
Chittagong	4,96,594
Khulna	1,93,756
Rajshahi	1,42,745
TOTAL :	13,76,029

Note : The information in this table and table VI-B was supplied by the Directorate of Labour, Dacca and is derived from the Annual Establishment Enquiry 1974 and the Annual Return on Labour Welfare 1974, which cover both the private and public sectors in respect of establishments with 20 or more employees.

TABLE VI-B

STATISTICS OF THE INDUSTRIAL SECTORS IN
EACH GEOGRAPHICAL DIVISION.

Type of Industry.	Dacca Division		Chittagong Division		Khulna Division		Rajshahi Division	
	Number of Units.	Number of workers	Number of Units	Number of workers	Number of Units.	Number of workers	Number of Units.	Number of workers
Jute	63	78,960	19	45,288	15	44,882	2	3,578
Jute Press and Bailing	37	21,029	15	2,750	12	2,000	16	2,640
Cotton	31	28,746	16	13,853	3	4,178	4	2,343
Match	10	4,131	10	6,587	4	3,919	3	1,005
Sugar	4	2,590	—	—	3	3,047	8	5,647
Tea	—	—	118	1,53,947	—	—	—	—
Paper	1	300	1	2,930	1	1,958	1	702
Printing Press	86	4,827	15	1,653	5	350	12	718
Rubber	22	3,305	1	7,700	—	—	—	—
Glass and Ceramic	16	2,650	4	550	—	—	2	400
Shipbuilding	5	4,544	2	267	5	6,841	—	—
Leather	90	4,590	17	2,000	—	—	—	—
Chemical and Pharmaceutical	26	3,190	11	7,588	5	1,379	7	786
Cement and Fertilizer	1	602	3	2,722	—	—	—	—
Tobacco	9	2,855	5	3,835	5	1,155	3	764
Engineering	140	21,718	58	8,155	165	10,069	55	3,133
Food, Beverage and Biscuits	59	4,540	—	—	1	227	—	—
Others	—	1,29,359	—	53,769	—	18,751	—	51,029
TOTAL :	573	3,17,934	295	3,06,594	219	98,756	133	72,745

PRIORITY OF SOCIAL SECURITY CONTINGENCIES & METHODS :

8. It is universally accepted that economic development is necessary for social development and is recognised that economic and social progress should be closely combined and consistent with each other. "Social Security Scheme" as a factor in social and economic development may play an important role in building the national economy of Bangladesh. Hence, a well designed social security scheme is to be formulated taking into consideration amongst other things the financial resources needed for such a scheme. The priorities of social security contingencies e.g. the persons to be protected and the type of benefits to be provided are to be determined. Therefore, it must be decided which groups in the population should benefit and to what extent their needs can be met within existing financial and administrative constraints.
9. The contingencies normally dealt with by social security schemes are: (i) **need for medical care**; (ii) **suspension, loss or substantial reduction of income**; and (iii) **responsibility for maintaining children**. To meet these contingencies, the following benefits are included in the Social Security Programme:
 - (i) Medical care;
 - (ii) Sickness benefit ;
 - (iii) Employment injury benefit covering both accidents and occupational diseases ;
 - (iv) Maternity benefit ;
 - (v) Invalidity benefit ;
 - (vi) Survivor's benefit ;
 - (vii) Old-age benefit ;
 - (viii) Family benefit ; and
 - (ix) Unemployment benefit.
10. Some of these standard contingencies, are at present being covered in some of the Asian Countries. The persons protected through insurance scheme and national provident funds in selected Asian Countries have been dealtwith in Table I. Among the foregoing contingencies, excepting Japan, none of the Asian Countries could introduce **unemployment benefit scheme** so far. Table II shows the types of unemployment benefit provided in Selected Countries.

Due to financial and administrative constraints and because of the magnitude of problems involved, Bangladesh may straightway exclude unemployment benefit scheme from its Social Security Scheme for the present.

11. Like many other developing countries health services are, in operation in Bangladesh. Under this scheme fairly complete 'medical care' is provided by the state as a public service available in hospitals, dispensaries etc. for all citizens. Table III shows the extent of facilities one can expect from this Scheme presently operating in Bangladesh. It will be seen that the facilities are inadequate and in particular availability of having medical staff.
12. Due to the acute shortage and also mal-distribution of medical personnel, inadequate resource allocation in public budget, the scheme cannot be termed as social security in the true perspective of the concept of medical care. Contrary to what is available in the country, the health insurance scheme of the U.K. provides for complete medical care of all the citizens in the country. Even the type of services rendered under that scheme, are more expensive than what has been done in this country. The coverage of medical care is yet to be completed and for that matter the doctor-patients ratio in this country is far above the number of patients one doctor may attend normally. Hospital beds per thousand population have not also reached the minimum prescribed limit. Instead of calling it a health services scheme, the entire gamut of facilities provided for under the Ministry of Health and its Departments may be treated as 'facilities'.
13. To implement the recommendations of the Industrial Workers Wage Commission, Medical Allowance Scheme has been introduced for the workers in the nationalised sector. Under this Scheme Takas 20/- is being paid as fringe benefit.
14. The Workmen's Compensation Act, 1923 as amended in 1957 provides benefits in cash to such Workmen who is employed on monthly wages not exceeding Takas 500/- in any of the specified employments (Schedule II of the Act) for accidents and occupational diseases **"arising out of and in the course of employment"** and the benefit is payable for death, permanent, total disablement, permanent partial

disablement and temporary disablement. The types of injuries and the amount of compensation payable have been laid down in Schedule I and IV respectively of the Act.

15. To regulate the payment of benefits to female workers the Maternity Benefit Act, 1939 is in operation in Bangladesh. Under this Act maternity benefits in the form of leave with pay and extra cash benefit are provided for a period of six weeks after child birth. Similar benefits are also provided to the female workers employed in the tea plantations under the East Bengal Maternity Benefit (Tea Estate) Act, 1950.
16. Unlike other industrial sector, statutory provisions for compulsory Provident Fund Scheme for the workers employed in tea plantations has been introduced and the East Pakistan (Plantation Employees) Ordinance, 1959, has been promulgated. This is a type called statutory Social Security Protection with joint liabilities of both employers and employees. Under this Scheme the employees contribute 6% of their Wage and the employers are also required to deposit the equal amount in the provident fund which is administered by Board of Trustees composed of two representatives from each of the organisations of employers and workers and two independent members and a Chairman appointed by the Government.
17. There existing Social Security measures suffer from fundamental defects. The medical allowance which is being provided as a fringe benefit, is being spent on other pressing needs of the workers and is not available for purchase of medicines etc. during sickness and in times of real need. On the other hand, with the introduction of medical allowance most of the big establishments have closed down their factory clinics or have reduced the facilities to emergency and first aid services. Due to the complexity of the definition of the term 'workmen' and also for wage limitation, a large number of workers are being left-out from the benefit provided under the Workmen's Compensation Act. Moreover, some of the provisions are not acceptable to both employers and workers. The employers are asked to pay compensation even if accident resulting in death occurred due to the fault of the workers. On the other hand, where employers disclaim liability, the worker or the survivor of the deceased has to place his or her claim to the Commissioner.

Delay in disposal of claim due to legal complications in the minds of the workers cause frustration. Similarly, benefits provided under the Meternity Acts are inadequate and meagre in the present context of the economic condition of workers.

18. In view of the situation stated above, change in existing system of Social Security Measures is imperative. Improvements should not be confined merely to better administration of the existing system but include improvements in the scale of benefits as well as increase in coverage by bringing in a few more contingencies which are not being provided at present. It is true that the decision to have a Social Security Scheme and to apply it to workers in the modern organised sector brings up the question of which contingencies should be covered. Again the question will arise which method is to be applied in introducing Social Security Scheme. Mr. K. Thompson mentioned four main methods for providing statutory Social Security Protection: These are: (i) **Employers' Liability Scheme**: under this method programmes may be made entirely the employers responsibility directly; (ii) **Social Insurance Systems**: which have the advantage of a central fund organised on the principle of the pooling of risks and finances; (iii) **Statutory Provident Fund**: which lacks the insurance element being merely a collection of individual and entirely separate accounts and (iv) **The Non-Contributory Scheme**: which affords income protection from public funds".
19. Because of resource constraints of all kinds and to ensure an effective social security scheme, it will not be advisable to bring the entire population at this stage under the scheme which I am proposing to be adopted by the Government. Social Security Schemes, although, in many countries usually aim at protecting the entire population, in a country like Bangladesh the actual coverage by such schemes should be based not only as what is socially desirable, but also on, as mentioned earlier, what is economically possible and administratively feasible. It would, therefore, be unrealistic to think of a comprehensive social security scheme covering the entire population or even all the economically active population at this stage of economic development. The application of such scheme present some genuine difficulties. It will be difficult to identify the beneficiaries and is administratively difficult due to lack of trained personnel for administering it. The collection of contributions individually from self-employed persons will be expensive and difficult. Again in case of self-employed workers, the question of bipartite contributions (employers and employees financial participation in the scheme) is not possible and to make satisfactory arrangements to verify abstention from work is impossible.

TABLE 1

SCOPE OF SOCIAL INSURANCE SCHEMES AND NATIONAL
PROVIDENT FUND IN SELECTED ASIAN COUNTRIES.
PART A-SOCIAL INSURANCE SCHEMES.

Country	Persons Protected	Persons Specifically Excluded.
Burma	Employees of establishments with 5 or more workers in industry and commerce, and those in other specific undertakings.	Permanent public servants, who have a separate system of benefits.
India	For the social insurance schemes run by the Employees' State Insurance Corporation, employees in factories with 10 or more workers and using power, non power using factories with 20 or more persons, and certain other types of establishments (Shops, hotels, road motor transports, etc.) with a minimum of 20 employees. For the Family Pension Scheme operated by the employees' Provident Fund, Employees in firms with 10 or more workers or 20 in certain agricultural establishments (after 240 days employment with the same employer).	For the social insurance scheme, employees earning more than 1000 rupees a month, and workers in commerce and agriculture. For the employees' Provident Fund, employees earning more than 1000 rupees per month or covered by equivalent private plans.
Malaysia	Employees in commercial and industrial establishments with 5 or more workers.	persons with earning of 500 or more per month (they remain members of the Invalidity Pension Schemes if earnings exceed limit after joining); in respect of invalidity, if over 50 at date of application of the Scheme or at age 55. Certain agricultural and domestic workers and fishermen.

Country	Persons protected	Persons Specifically Excluded.
Pakistan	Employees in establishments with 10 or more workers (domestic workers entitled to medical care through their employers).	Employees earning over 500 rupees per month and agricultural employees. Persons in the service of the State including members of the Armed Forces, Police Forces and railway employees.
Philippines	All employees	Government (separate system). Family workers private domestic employees, share or leasehold tenant workers not employed for a continuous period of 6 month in a year, and casual workers.
Thailand	Employees in establishments with 20 or more workers in the Bangkok metropolitan area and 5 provinces.	Workers engaged in cultivation or fishing and domestic and railroad employees.

PART-B—NATIONAL PROVIDENT FUND

Country	Persons Protected	Persons Specifically Excluded
India	Employees in specified industrial, commercial and plantation enterprises having 10 or more workers, or 20 in certain agricultural establishments, Separate schemes exist for miners railways workers and public employees.	Persons whose earnings exceed 1000 rupees a month unless already a member. Exemptions allowed for workers in equivalent private plans.
Malaysia	Employees aged 16 or over (compulsory after one month with the same employer unless coverage agreed from the start of employment	Members of existing equivalent private plans and fishermen.
Singapore	All employees earning more than \$10 per month plus special categories of self-employed workers.	Members of existing equivalent private plans and temporary workers.
Sri Lanka	All employees in the private sector and in public corporations, including casual workers.	Persons employed by the day, family workers and public employees, and workers covered by approved private plans.

TABLE II

TYPES OF UNEMPLOYMENT BENEFIT SCHEME

(With year of basic legislation for current scheme)

Country	Compulsory Insurance	Assistance Voluntary Insurance	Subsidised Voluntary Insurance	Year of Legislation ²
Australia		X		1947
Austria	X	X		1973
Belgium	X			1963
Brazil		X		1965, 1966, 1972
Bulgaria	X			1958
Canada	X			1971
Chilie	X			1974
Cyprus	X			1956, 1972
Denmark		X		1970
Ecuador	X ³			1958
Egypt	X			1964
Finland		X ⁴	X	1968-72
France	X ⁵		X	1958-67, 1972-74
Federal Republic of Germany	X	X		1969
German Democratic Republic	X			1947
Ghana	X ⁶			1972
Greece	X			1954
Hungary		X		1957
Iceland	X			1956
Ireland	X	X		1952-71
Israel	X			1972
Italy	X	X		1939
Japan	X			1974 ⁷
Luxemburg		X		1945
Malta	X			1956
Netherlands	X	X		1949-64
New Zealand		X		1964
Norway	X			1970

Country	Compulsory Insurance	Assistance Scheme	Subsidised Voluntary Insurance	Year of Legislation ²
Portugal	X			1963, 1975
Spain	X			1967-72
Sweeden		X	X	1973
Switzerland	X			1951-66, 1975 ⁸
United Kingdom	X			1946, 1966
United States	X			1935 ⁹
Uruguay	X			1958, 1962 ¹⁰
Yugoslavia		X		1972 ¹¹

FOOTNOTES

1. Only special unemployment assistance schemes are mentioned; benefits provided in general public assistance schemes are excluded.
2. Many of the countries listed operated earlier systems of unemployment benefit prior to the legislation dates shown;
3. Lump-sum benefit scheme.
4. Employed persons who are not members of a trade union are entitled to benefits under unemployment assistance.
5. National and inter-professional contractual scheme, extended to all workers and employees in industry and commerce. In addition, there exists the supplementary benefit scheme for employees discharged for economic reasons, and the income guarantee for unemployed persons over 60 years of age. Where appropriate, provisions of these schemes are also summarised in the following tables.
6. Combined with national provident fund scheme.
7. The scheme contains special provisions applicable to short-term employees (seasonal workers) and to those who employed on a daily basis, but in the following tables only provisions applicable to ordinary insured persons are summarised.
8. Year of Federal law. Seventeen countries have compulsory insurance throughout their territories; five provide for compulsory insurance covering communes only, three have only voluntary insurance. Three types of compulsory insurance exist in Switzerland (a) public funds established by cantons or communes; (b) private employers/employees' funds; and (c) trade union funds.
9. Federal Law. State laws enacted from 1932.
10. Special schemes for meatpacking industry and wool and hide industry have existed since 1944 and 1945 respectively.
11. Laws of the constituent republics and autonomous regions.

TABLE—III

MEDICAL PERSONNEL AND HOSPITAL BEDS.			
		1972-73	1977-78
1.	Doctors (registered ...	7,000	9,100
	Doctors population Ratio ...	1 : 10,000	1 : 9,000
2.	No. of Registered Nurses (estimated 700 practising)	900	2,400
	(a) Nurses : population Ratio	1 : 80,000	1 : 35,000
	(b) Doctor : Burses Ration :	1 : 10	1 : 4
3.	Qualified Lady Health Visitor	800	4,000
	Health Visitor : population Ratio ;	1 : 90,000	1 : 21,000
4.	Registered Mid-wives	250	750
	Midwives : population Ratio :	1 : 2,80,000	1 : 1,10,000
5.	No of beds in Hospital &		
	Dispensaries ...	12,300	27,200
	Hospital beds : population Ratio:	1 : 6,350	1 : 3,000.

Source :-First Five Year Plan 1973-78.

SOME SUGGESTIONS :

In the light of the above observation I suggest the following for consideration of the Seminar :-

1. A Social Security Scheme may be introduced and implemented gradually.
2. The foollowing contingencies may be provided under the scheme to startwith :-
 - (i) Income protection from loss, temporary or permanent owing to :
 - (a) employment injury, covering both accidents and occupational diseases ;
 - (b) death of breadwinner ; and
 - (c) sickness and maternity.
 - (ii) Medical care.
3. The benefits may be provided by constituting a 'Central Fund' to which contribution will be made by both employers and employees. In this connection the feasibility and desirability of converting a part or whole of the medical allowance presently available to employees in nationalised enterprises and most of the organised private sectors may also be taken into account.

4. The coverage may be as follows to start with :-

- (a) all establishments covered under the Factories Act, 1965 and employing 20 or more workers.
- (b) all plantations workers who are at present being covered by the East Pakistan (Plantation Employees) Provident Fund Ordinance, 1959 ;
- (c) other establishments in non-manufacturing sector like shops and commercial establishments, business houses, banks and insurance etc. employing 20 or more workers in the phase manner.

Suitable exemption may also be given to newly established units initially for a period of one or two years.

5. Suitable legislation for the above purpose may be enacted which will, inter alia, provide for maximum amount of contribution payable by employers and employees. However, to start with the Government may prescribe by an Executive Order a lesser contribution which may be increased in due course with improvement in the scale of benefits. In this connection, the possibility of integrating under a single legislation the various benefits that are available at present under the different legislation may also be explored.

As rightly pointed out by Dr. T. I. Mathew and Mr. K. Thompson in their papers, the accumulations in the 'Central Fund' over a period of years will not only take care of the contingencies indicated above but also leave a sizeable amount of balance which would be utilised for purposes of investment. If one takes the number of employees who would be covered by the Scheme to be about half a million and their average earnings at about Tk. 250/- per month (as against minimum wage of Tk. 240/- at present obtaining in respect of workers in nationalised enterprises) the inflow of money in the fund will be roughly about Tk. 45 million in a year at a rate of contribution 21% by the employees and the employers. On the assumption that 40% of the contribution may be the outgo from the fund by way of claims, the balance available still leaves a substantial amount for purposes of investment. If the cumulative effect together with the interest on the accumulations are taken into account it is obvious that a substantial sum of money would become available for investment in due course. It will not be out of place to mention here the limited experience that we have in this regard from the operation of the Government Employees Benevolent and Group Insurance Scheme. It is reported that within the short period of just about 7 years of its existence the accumulations in the fund as much as Taka 7.6 million. As you all know the contribution is only 1% in case of Benevolent Fund and in the case of Group Insurance entire non-gazetted staff who formed the bulk of the Government employees are exempted from making any contribution.

Undoubtedly, a comprehensive scheme of social security will place in the hands of the government a substantial sum which will boost the national developmental effort. The link between the social security and national economy is obvious.

Conclusions:

I conclude my paper by quoting the declaration of Mr. Francis Blanchard to the 59th Session of the International Labour Conference held in Geneva in 1974 that:-

“A just distribution of incomes, adequate protection for those in greatest need, and a measure of security for those earning power is permanently or temporarily interrupted; - these are surely the basic requirements of social justice. It is essential to bring about a more equitable distribution of income and wealth for promoting both social justice and efficiency of production. Our organisation, whose mission is the promotion of social justice throughout the world, can hardly remain indifferent to the very wide gap between these requirements and the fate of large sector of mankind.”

Let us hope that the process of income distribution through the Social Security Mechanism will ensure that 'misfortune will not destroy the individual and his family will not suffer an interruption or cessation of his earning/capacities.

I would request you to join hands with me in urging upon the government to adopt social security programme as proposed to start with. I am sure, the ILO will extend its hands of co-operation and expertise in drawing up a viable programme on the above lines.

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SOCIAL SECURITY AND THE NATIONAL ECONOMY OF BANGLADESH

BY

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GENERAL

Industrialisation leads to urbanisation of workers who come from the village homes to the cities or industrial centres are gradually uprooted from their ancestral moorings. In times of sickness, unemployment, old age and other contingencies they have nothing to fall back upon.

Social Security is one of the dynamic concepts of modern age which influence socio-economic policy. It is a device to provide against a number of insecurities arising out of natural (e. g. death of sickness), social (e. g. slums etc.) and economic (e. g. inadequate wages, unemployment etc.) causes.

Workers work and get wages for food, clothing and shelter so long as they have will and ability to work. Once they are taken ill, injured or die due to illness or accidents, or get too old to work, they lose means of their living in the form of wages. Further, when they get married, keep homes and have children, their lives are likely to be threatened with high medical charges when the members of their families, particularly aged ones and the children get sick. A social security system is indispensable to cope with any mishap that may befall upon them at any time.

A worker feels that when he gets old his working potential is reduced. He is not likely to enjoy a human depletion allowance like the one to which a privileged employee is entitled and therefore, he cannot be expected to work with the enthusiasm and efficiency he is otherwise capable of. A niggardly attitude towards his basic needs and lack of understanding on the part of the employer about the importance and dignity of his role, which is that of a partner in progress, must necessarily impair his efficiency and even his willingness to do his best. In this regard, we appreciate the steps taken by the government to introduce Social Insurance Scheme. It would atleast recognise the principle of ensuring social justice and thereby improve the living of the working

class. Its practical application is now felt indispensable for the emergence of a devoted and responsible industrial labour force conducive to step up productivity.

BACKGROUND:

In Europe, social security emerged with the beginning of industrialisation, about two hundred years ago, when rural people moved into towns. They gave up their work as farmers or independent craftsmen and left the traditional large family organisation. Due to the solidarity between family members, mutual assistance was given in emergencies. It is in these two hundred years, social security developed in Europe. Its development differed from country to country as it is difficult to create a standardized system of social security. There are quite a number of causes for these difficulties.

THE PROBLEMS OF SOCIAL SECURITY:

The problem of social security, of social policy in general, is one of the basic problems and one of the essential responsibilities of Trade Unions. This subject is an extra-ordinarily complex one.

The time available to us does not suffice to study the problem comprehensively and in depth. I can merely outline a few points.

Social security cannot be dealt with in complete isolation from other influences. Social security cannot exist without public security. Public security means social security and social security is not possible without political security. And, finally, social security is not possible without economic security. Creating new jobs is a social security within an economic policy. All these must be considered in this context because without the one kind of security the other is in danger.

One definite observation is that social insecurity is a danger to the freedom of the individual, a danger to democracy and, finally a danger to peace. Social security, as we understand it, in the immediate context of unionism, implies the protection of employee against need, protection against emergencies, relative protection against starvation, assistance in case of illness, old age and so forth. The question arises here as to what extent the individual still has to bear responsibility for himself, as to what extent it is justifiable for the state or other carriers of social institutions to take this responsibility off his shoulders.

TRADE UNIONS :

The United Nations' Declaration of Human Rights offer a wide horizon to Trade Union activities in the domain of social policy, and each union in each country should have the opportunity to raise demands in conformity with the economic and political conditions of life and to realize them.

The size and degree of social security depends, of course, to a large extent on the economic situation of a country. That is to say that it depends not only on the financial strength which the state can use for the benefit of its citizens, but it also depends on the contribution which the employees, based on his income, is able to make for his own social security.

I may perhaps give you some insight into the provision of law and rules which are in practice for the protection of workers in Bangladesh.

A. Employment and Vocational Research :

The Bureau of Manpower and Employment Training is the sole body for placement. It is obliged-on request even independently of the placement service-to inform and individually advise employees and employers about the state of labour market, the developments in trades and professions, the necessity and possibilities of vocational training and training incentive, the promotion of employment and about question relating to availability or occupation of jobs. It furthers the employment of handicapped persons (vocational rehabilitation) in collaboration with the social welfare department and co-operates in measures for improving the structure of the economy and the labour market.

B. Lay-off Benefit : Due to Temporary Closure of the Concern :

Certain unemployment benefits are available to the worker as per law if he becomes temporarily unemployed for reasons mentioned below :-

"The employer may, at any time, in the event of fire, catastrophe breakdown of machinery, or stoppage of power supply, epidemics, civil commotion or other cause beyond control, stop any section or sections of the shops or the commercial or industrial establishment, wholly, or partly for any period.

Such laid-off worker shall get half of his basic wages and dearness allowance, and full amount of housing allowance, if any, upto 45 days during any Calendar year. Thereafter one-fourth of his wages as mentioned above upto 15 days, and finally may retrench him."

C. Unemployment Benefits Due to Termination. Discharge or Retrenchment :

Workers are entitled as per law, to 14 days wages, as compensation for each completed year of service, under the following conditions only with the exception of the duration of notice periods and related reasons :

- (a) In case of **termination** of a worker without having given any reason, three month's notice or pay in lieu thereof is required to be given by the employers.
- (b) In case of **Discharge** on receipt of a recommendation from the physician declaring a worker unfit for further employment ;
- (c) In case of **Retrenchment** due to redundancy or closure of a concern one month's notice or wages in lieu thereof is to be given. Employers have to pay for all these from their own resources.

D. Provident Fund Scheme :

The system is in practice in Bangladesh and largely dependent on employers to set up the scheme :

Under the scheme the employee has to contribute certain percentage of his wages to the fund which ranges from 5 to 10 percent depending on the type of industry or concern and the employers contribute an equal amount. Income from investment of the fund is proportionately credited against individual's contribution and while leaving the services of the concern the entire amount lying in the balance against an individual worker is paid to him depending upon the rules as provided for the operation of the fund.

A Provident Fund scheme was implemented through statutory provisions for tea garden workers only. In other cases the scheme was introduced either voluntarily or through the process of collective bargaining.

This fund remains with the employers or the Trustees of the Fund. Any scheme particularly, one relating to workers' housing, can best be worked out by centralising this fund.

E. Gratuity Scheme :

This benefit is available to workers of some industries or concerns and ranges from certain percentage to a month's basic pay for each completed years' of service payable to a worker on leaving the service after certain period of time or on completion of his retirement terms with same concern.

F. Retirements Benefits :

In some concern the retirement benefits are available in the form of pension or gratuity, as mentioned above, or both. The scheme is introduced voluntarily or through the process of collective bargaining. Pension system is in practice in some commercial concerns only.

G. Compensation :

Workmen's Compensation Act provide benefits to partially disabled or totally disabled persons, who on duty meets an accident, according to the loss of his earning capacity.

Worker who dies because of any accident or injury or due to occupational disease receives compensation as provided in the Act.

Government has taken steps to update the schedules of benefits available to a worker under the Act.

H. Sick Benefits :

In most industries workers are now paid a fixed amount of monthly allowance called 'Medical Allowance' to cover the cost of medicine during sickness other than occupational disease, which are covered under the Workmen's Compensation Act.

I. Social Insurance :

Recently the Government expressed it's willingness to introduce Employees Social Insurance Scheme. The scheme, if introduced the benefits, as anticipated, will be available to workers, almost in the same term as enacted in Employees' Social Insurance Ordinance, 1962.

The rate of contribution has yet to be determined.

This health insurance scheme, if introduced presumably would cover 90% of the workers in different statutory companies (sick funds) which

have their own administration and a council of representatives. Two representatives would be elected in a governing body by Trade Unions.

The benefits which would be available under the scheme are :

1. Sickness benefits ;
2. Maternity benefits ;
3. Death grant in case of death following sickness ;
4. Medical care during sickness ;
5. Injury benefit ;
6. Disablement pension ;
7. Disablement gratuity ;
8. Survivor's pension ;
9. Death grant in case of death resulting from employment injury ; and
10. Medical care in case of employment injury.

In addition to the above benefits, provision will be made to undertake measures for improving health and welfare of insured persons and for rehabilitation and settlement of such insured person as might have been disabled or injured, and may for the purpose incur expenditures from the Employees' Insurance Fund.

J. Unemployment Insurance :

This scheme, as such, is not in practice in Bangladesh although its need is no less felt by the workers who very often becomes unemployed.

The workers when they become unemployed for reasons as mentioned in B & C above the employers pay a lump sum of money to a worker as compensation and the worker goes on spending it without planning. A proper scheme can be worked out to make gainful use of the money for the betterment of the workers. Employers have to make a provision towards contingency expenses for each worker around 4% annually for payment of compensation arising out of retrenchment, termination or discharge. This amount if contributed to a fund will generate a savings and it may be used towards development purposes, the benefit of which will go to the workers and the community. Employers have to pay a compensation of 14 days wages for each completed year of service to a worker on dispensing with his service which is about 3.84% annually.

K. Social Welfare :

It relates to providing facilities for mentally and physically handicapped children and grown-ups. Financial resources for these programmes

are provided by the state. These facilities are in most cases operated free of charges. The social welfare programmes are far behind the needs of the day, due to the fact that state subsidies are comparatively small.

L. Public Health :

It carries on activities related to environmental hygiene such as prevention of diseases, maintenance and reinforcement of parks, sewerage system, pollution prevention measures and administration. Financial responsibilities are borne by the state and local selfgovernments.

CONCLUSION :

An integrated social security system providing protection against unemployment, injury, maternity and sickness together with provisions for statutory superannuation benefits should be considered as earlier as possible.

The social security system should be considered because of the fact that workers constitute a vital section of the forces to contribute to the economic development of the country as such their problems and welfare deserves due share of the governmental and managerial attention. Undisturbed industrial peace is prerequisite for increased production and progress of the economy, specially in a developing country which aims at achieving growth by accelerating the pace of industrial development. It presupposes willing co-operation and better performance of the community of happy and contented workers enjoying essential facilities and amenities guaranteed by the progressive social security programme.

CONCLUSIONS AND RECOMMENDATIONS

Fifth Session

Recommendations

1. Administration of existing laws dealing with social security measures should be improved;
2. A Tripartite Group may be constituted for considering the following recommendations:
 - (i) The existing provision of law with regard to termination of a worker without assigning any reason should be repealed with a view to guaranteeing service security;
 - (ii) The quantum of wages payable during lay-off period should be reviewed and increased as the existing rates of payment leads laid-off workers' families towards more hardships for no fault of theirs;
 - (iii) The rate of compensation payable to workers under the Standing Orders Act should be increased to one month's wages for each completed year of service if a worker is retrenched or discharged (assuming that termination clause is repealed);
 - (iv) Compulsory Contributory Provident Fund Scheme should be introduced in all industries and establishments and the accumulated Fund under the scheme should be used for the promotion of Housing Scheme for workers;
 - (v) Gratuity and/or pension scheme should be introduced for workers who after attaining the age of 60 retires from the concern or after completing 15 years' of service with a particular concern;
 - (vi) The Workmen's Compensation Act should be reviewed and updated and benefits under the Act should be available to all categories of workers as defined under the Standing Orders Act; and
 - (vii) A Social Security Law (after proper study and research) on the lines discussed in the Tripartite Labour Conference in 1969 should be introduced as soon as possible;
3. Proposals for introducing Social Security Scheme, in phases, covering the employees engaged in industrial shops and commercial establishments should be considered; and
4. Proposal for creating a Central Fund for Social Security should be considered. The Fund may be created under legislative cover and contributions from employers and employees should be made obligatory. The Fund, after meeting the obligations of the Social Security System, may also be invested for the following purposes:
 - (i) Employment promotion through investment in carefully selected projects;
 - (ii) Vocational training; and
 - (iii) Housing.

SIXTH SESSION
"SOCIAL SECURITY AND THE NATIONAL ECONOMY WITH
SPECIAL REFERENCE TO THE PROBLEMS OF RURAL
DEVELOPMENT IN BANGLADESH"

BY
M. NURUL HAQUE MIAH

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the People's Republic of Bangladesh.

1. It is a great pleasure for me to have been called upon to present some of my thoughts on the above topic to the distinguished participants. I am thankful to the organizers of this seminar for giving me this opportunity. The time to prepare this note has been rather very short. I therefore apprehend that my presentation would be quite sketchy and the distinguished participants will have to contribute substantially to make the discussion fruitful and effective one.
2. You have already listened to a number of highly illuminating discourses on various aspects of social security system from several international and national experts and you are by now quite clear about its basic concept. As a lay and uninitiated man in the field of social security, this term connotes to me the basic security in respect of unemployment, income, health, medical care and the like that a society has to confer to its members to enable them have a reasonable level of living. With the gradual evolution of human society the concept of social security has also been undergoing transformation. With increasing pace of economic and social development the relationship of individual members with society and nation as a whole is rapidly undergoing changes and the State is being increasingly entrusted with the security and well being of its individual members: security against sickness, disability, unemployment and the like. The right of individual members to such a security has been clearly enshrined in the "Universal Declaration of Human Rights" of December 10, 1943 which states that every one as a member of the society has a right to social securityevery one has the right to work.....every one has the right to security in the event of unemployment,... sickness, disability etc. Hence the social security systems that have been evolved in the various countries over years were mostly designed to give effect to this Declaration according to their respective capabilities.

The views expressed in this note are those of the author and do not in any way represent the views of the organization he is associated with.

3. On perusal of the evolution of social security systems in the various developed and developing countries of the world we come to the conclusion that the stage of growth of social security systems is itself a barometer of the existing economic and social well being of the citizens. It thus signifies the relative economic strength of the economies to confer such security. Apparently, the growth of social security system is both the cause and the effect of economic development. Unless each member of the society is secured against various contingencies which serve as obstacles to their contributing optimum productivity to the nation and in its turn offered the benefits of such security, sum total of national productivity could not increase and thereby economic development could not proceed at desirable speed. On the other hand, if the State is not economically strong enough it cannot offer such security and as a result, productivity continues to be less than optimum and the rate of development continues to remain unsatisfactory. Social security system is therefore vitally linked to the overall growth of the national economy of any country.
4. A brief review of the development of social security system tends to signify its relatively higher level of growth in the industrially developed countries, particularly in those having longer experiences in industrial productivity. Accordingly, we find that in the countries of the Western Europe with longest experience in industrial progress the growth of social security systems is relatively more advanced followed by other countries in the Western Hemisphere, Latin American, African and Asian countries where industrialization is at varying levels of development. In the beginning, the Social Security System was started with workers in the Government, industries and commerce living in the urban areas. These people, being comparatively more organised and living in the concentrated area with high population density and having direct approach to the seats of power, managed to get such systems organised for their security and well being. With increasing strength of the national economies and with increasing agricultural and rural development the benefits to social security were gradually being passed over to the rural areas. Nevertheless, we find that even in some of the highly developed economies the coverage of various types of security contingencies for various groups of rural work force is yet to become universal.

5. In many countries though there is a specific mention in the statutes that all workers including those hailing from agriculture are entitled to various types of social security, the systems could cover only the urban people. These systems could not be spread out to the rural people due to weak economic base, poor medical and hospital facilities wide prevalence of underemployment and unemployment, lack of consciousness among the expected beneficiaries, poor organizations to execute the systems and the like. Hence we find that under-development of an economy is itself a big obstacle to introduce social security system.
6. The peculiarities of agriculture developing country like Bangladesh are its seasonality of operation, vulnerability to natural calamities, low application of technology for increasing productivity and income from agriculture and lack of employment opportunities in the off-seasons. All these factors contribute together to make the task of introducing social security system in agriculture difficult and complex. The payment of wages in kind, the wide prevalence of share-cropping system with uncertainty in share tenancy, preponderance of large proportion of self-employed workers and high dependency ratio also make these problems all the more difficult and complex. With an unstable and low agricultural production, resultant low income and low level of living and with low industrial base, the introduction of social security system in Bangladesh will have to be evolved in the light of her own peculiar socio-economic realities. Here in order to pave the way for successful introduction of social security in agriculture, we must first endeavour to bring about an economic security in rural areas through a series of agricultural and rural development activities.
7. The fundamental steps that are called for to attain this economic security are :
 - (i) Bring about stability in agricultural production through control/ protection of flood, and provide irrigation facilities through various means ;
 - (ii) Facilitate technological innovations in agriculture through application of productive inputs and acceleration of agricultural research, extension and education ;
 - (iii) Ensure price incentives to the growers through development of proper marketing, storage and processing facilities and through development of rural infrastructure ;

- (iv) Provide food security to protect the members from starvation ;
 - (v) Creation of adequate employment opportunities in the rural areas through secondary and tertiary activities in the rural areas and through greater establishment of cottage and agrobased industries in the rural areas.
 - (vi) Establishment of more medical, hospital and sanitation facilities in the rural areas to provide the basic requirements of the rural people.
8. Side by side, security to crops and livestock should also be provided through introduction of crop and livestock insurance systems. Since livestock is the main draft power for Bangladesh farmers, its loss due to various contingencies seriously affect farm production. Likewise, damage to crops due to various natural calamities also gives rise to serious instability in production and resultant economic hardships and privations of the farmers. It is gratifying to note that the Government of Bangladesh has given serious attention to the introduction of crop insurance for which preliminary works have since been initiated by the Shadharan Bima Corporation. They have already undertaken an extensive survey to identify the areas and the crops where introduction of crop insurance could be started. We hope and trust that the Authority will now go ahead in right earnest to enter the field of crop insurance. It is also a high time that the question of introducing livestock insurance on a pilot basis is seriously considered.
9. Review of the development activities followed by Government of Bangladesh in the agricultural and rural sectors will lead us to conclude that Bangladesh is presently following vigorously the right path to generate a vibrant and self-sustaining rural economy. And these endeavours are preparing the ground for launching the social security systems in the rural areas eventually. Some sort of social security is already being provided to the plantation workers in the tea gardens of Bangladesh. There should now be serious endeavour to identify the branches of social security that should be considered for initiating in the rural areas as a pilot project. The International Labour Office, who is pioneering and guiding the Member Nations to initiate social security systems, could contribute substantially in indentifying such fields. The technical assistance from ILO would therefore be the most desirable for undertaking some action-oriented research in this field. With these few observations I once again thank the organisers of this seminar for giving me this opportunity to discuss such a vital topic.

Basic Indicators of Economic Development for some of the Asian Countries

Countries	Population (million) 1975	Density per sq. Kilometer (1975)	Percentage of eco- nomicallly active population engaged in agri. to total eco- nomicallly active population	Percentage of urban population	Agril. Land per capita (hec)	Life Ex- pectancy per hospital bed	Persons per sician	Literacy rate	Dependency ratio	
• 1. Bangladesh	78.80	552.0	85.0	9	0.16	47	6,976	9,345	22	105.4
• 2. China P. R.	15.99	444.4	30.5	63	0.06	66.7	563	1,702	87	68.6
• 3. India	597.87	181.2	72.0	20	0.32	47.2	1,538	4,200	29	77.2
• 4. Indonesia	132.2	69.4	62.2	18	0.11	47.5	1,452	25,847	60	87.3
• 5. South Korea	34.02	344.5	46.2	41	0.07	63.0	1,987	3,013	88	76.4
• 6. Malaysia	11.97	36.0	56.5	27	0.33	63.4	344	4,573	61	87.5
• 7. Philippines	41.83	139.4	54.2	32	0.30	60.0	785	1,157	83	87.3
• 8. Sri Lanka	13.60	207.8	52.3	22	0.18	64.8	330	6,019	75	n. a.
• 9. Thailand	42.28	82.3	51.2	15	0.28	57.6	1,345	8,522	79	93.3

Source: Key Indicators of Developing Member Countries of ADB Asian Development Bank April 1976

CONCLUSIONS AND RECOMMENDATIONS

Sixth Session

Recommendations

1. The Crop Insurance Scheme envisaged by the Shadaran Bima Corporation (General Insurance Corporation) may be considered for implementation and the Scheme for Livestock Insurance may also be adopted after due study.
2. A measure for indirect security for the rural population and for that matter the rural unemployed, job opportunities in the rural area, should be created with necessary reshaping of the rural social infrastructure and organisational structure of production by introducing co-operative farming system taking a village as the unit, keeping in view the goals of redistribution of income and capital formation for such co-operatives.
3. Steps may be taken to promote the extension of education with vocational bias, medi-care, and other facilities in rural areas as indirect measures for social security covering the rural people in general and the old among them in particular, in order to ensure job security health and better living conditions
4. The intensive population planning programme may be extended with incentive benefit given to those who adopt it.
5. A serious endeavour should be made to identify those branches of social security that are considered suitable for introduction in the rural areas as a pilot project.

SEVENTH SESSION
NATIONAL PLANNING MECHANISM AND SECTORAL DEVELOP-
MENT FOR SOCIAL SECURITY IN BANGLADESH.

BY

M. ASHRAF ALI

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the People's Republic of Bangladesh.

INTRODUCTION

1. In the context of the presentation of basic papers¹ and the deliberations on them, the objective of this paper is strictly limited. It is designed (a) to give a resume of the existing social security programmes in Bangladesh and (b) to relate them to the planning mechanism. In the process the issues that have direct bearing on social security are intended to be high-lighted. On the basis of the discussions of the issues a set of suggestions will find place at the end, and these suggestions may be treated as basis for recommendations.
2. The objectives are modest. But the entire gamut of the subject cannot be given a thorough treatment within the scope of one paper. The issues not covered, as such, will remain open for discussion. It is more so in view of the fact that all the background papers have not been covered in it. Though intended otherwise, some of the presumptions based on experience and observations have had their tinge in the treatment of the subject. They are, however, found to be relevant and largely dependable.

THE CONCEPT OF SOCIAL SECURITY AND ITS PARAMETRES.

3. There exists a history behind the evolution of a concept over years. The same is true about the concept of social security. Academic definition was attempted at by Friedlander² in recent years. A working definition of the concept is contained in the basic paper by T.I. Mathew who stated that:-

¹ Mr. T. I. Mathew Introduction on Concepts, Methods, and programmes of Social Security with particular reference to ILO's Role and Activities in promotion of Social Security in Developing Countries in Asia; and Mr. K. Thompson-Trends and Problems of Social Security in Developing Countries in Asia.

² Friedlander's definition is identical to that of Mathew.

"Social Security is the protection furnished by society to its members in prescribed contingencies or circumstances. Its purpose is to reduce the impact of contingencies involving a loss or substantial reduction in income and to provide medical care and/or financial guarantees against economic consequences of those contingencies when they occur".¹

- 4- Conceptually, **society** has the obligation to provide social security measures. In societies where an individual plays the primordial role such a protection comes from his ability to lay by for bad-days. Even there the need for organized support is felt. Thus arrangements for mutual aid and for state-support exist also in those societies. In societies where organized support is built-in in the overall fabric of socio-economic structure, like those of the east European societies, the contingencies are largely attended by the state. In the so-called developing countries contingencies were, in the past, covered by the extended family system and the religious institutions. But with establishment of industries social security measures were prescribed under provisions of different laws.
5. The entire mechanism within which social security measures work may largely be apportioned into three categories. They are (a) the state-managed measures; (b) the mutually managed benefits; and (c) the measures taken by individuals themselves. Historically speaking the involvement of the state is a recent phenomenon. The society which had extended-family system kept the measures against contingencies limited to a short of unwritten obligation shouldered by other members of the family. With urbanization the edifice of extended family dwindles and individuals are found depending on organized or institutionalized facilities both at the level of state as well as at the level of mutual benefit societies.
6. The need for social security measures are felt due to the inadequacies of the socio-economic programmes in most of the countries. The same has been indicated by the Director-General of the ILO in his report to the Tripartite Conference on Employment, Income Distribution and Social progress, wherein it has been pointed out that : "During the three decades since Second World War most governments have relied primarily on overall economic growth backed

1. Mr.T.I. Mathew : op. cit. (mimographed) p-3.

by high investment to reduce poverty and inequality, and in the industrialized countries to avoid serious cyclical unemployment. This policy has led to rapid and sustained growth in national out-put and investment in both developed and developing countries. However, it has become increasingly evident; particularly from the experience of the developing countries, that rapid growth at the national level does not automatically reduce poverty and inequality or provide-sufficient productive employment.”¹

7. Though the above assertion of the Director-General of the ILO has been made in the context of employment, it may be treated as an admission on the part of this World Body that, apart from other contingencies, unemployment continues to be a great hurdle against equity and justice. As such, a *mondus vivendi* for obviating the contingencies or, as Mr. T.I. Mathew suggests, “to reduce the impact of contingencies” has to be worked out by all countries, howsoever, be the level of their development.
8. Evidently, the cyclical unemployment haunts many even in the most developed countries. Unemployment Insurance Benefit, envisaged the Poor Law of 1834 in the U.K. and the adaption thereof in various countries in Europe and North America continues to be a priority programme. The entire programme under the “Social Consumption Fund” in the Soviet Union and other East-European countries appears to have been designed to meet contingencies as well as development needs. Likewise, the provisions of Zakat and other compulsory payments under Islamic injunctions, as pointed out by Mr. Akbar Kabir², were designed to bypass the contingencies or reduce the impact thereof on individuals.
9. In all these systems, there is provision for, what may be called a “Planned Strategy”. Whether it is at the level of the state machinery, or at the level of mutual benefit to societies or at the level of individuals, a great deal of forethinking is needed. Without institutional arrangements the objective of providing benefits of individuals in stress or distress may not be fulfilled in any country, more so in the poor countries, courtiously designated by the UN as “developing countries.”

¹. Employment Growth and Basic Needs : Geneva 1976-P.5

². Akbar Kabir- Inaugural Address to the Seminar on Social Security and National Development (mimograph)

SOCIAL SECURITY MEASURES IN BANGLADESH :

10. Through a newly emerged developing country, Bangladesh has some discrete arrangements which may be subsumed under a comprehensive social security system. The main programme is linked with the provisions for workmen's compensation. The Workmen's Compensation Act, 1923, with ammendment of 1957, has been adopted by the present government. It/provides for giving compensation at prescribed rate for death and disablement to workers who are now employed in :
 1. Railways ;
 2. Factories and Workshops ;
 3. Mineral, Oil and Natural Gas fields ;
 4. Docks, Ports and Ships ;
 5. Building, construction and Excavation Works ;
 6. Ferry-boating and Driving ;
 7. Plantations ;
 8. Posts, Telegraphs and Telephones ;
 9. Cinematography ;
 10. Fire Brigade and light House ;
 11. Manufacture and Handling of Explosives ;
 12. Generation and Supply of Electric power & Gas ;
 13. Lifts and Vehicles propelled by power ;
 14. Forestry ;
 15. Catching, keeping, training and working of Elephants and wild animals ;
 16. Handling or Manipulation of Radium/X-ray apparatus and Radio active substances.
11. Other provisions that may be incorporated under a comprehensive system are those for pension benefits to specified government servants contributory provident fund to various levels of employees in autonomous bodies, gratuity, benevolent fund and group insurance benefits. These provisions are meant for those who are employed in the organised sectors both secondary and tertiary, wherein close to 2·5 million workers are engaged. Apart from these provisions, the availability of curative and preventive medical services may be treated as being within the purview of social security in a limited way. Some of the programmes of the Freedom Fighters Welfare Trust, the Women's Rehabilitation and Welfare Foundation may also be considered as contributing to social security measures in Bangladesh.

12. Though referred to by various personalities as a religious provision of social security, Zakat and other payments have not been organized in the country. The efficacy of this institution has also been partially obviated by the taxation system. In the countryside, there is attempt at utilization of this resource for religious education and maintenance and construction of mosques, which by themselves, do not contribute to or guarantee against unemployment, death or disablement.
13. Even the "food for works" programme which has received patronage from the highest level and which has generated employment opportunities in rural areas, does not strictly conform to the theoretical latitude of social security. Likewise, the life insurance programme of the Ministry of Commerce remains outside the purview of social security.
14. There is, however, an awareness on the/part of various agencies-government and private-about the need for comprehensive social security programmes in the country. But the same awareness has not brought about much of a change in this respect for a number of reasons. This reason may be enumerated as below :-
 - (a) Multiplicity of agencies involved ;
 - (b) Division of the resources into various sectors ;
 - (c) Undue dependence on the government for initiating them ;
 - (d) Inadequate attention given to management of the funds and investments thereof and as a corollary to that mis-management of the programmes.

THE NEED FOR COMPREHENSIVE STRUCTURE :

15. From the points made above, one may suggest that a comprehensive planning is needed for instituting new measures and formalising the existing ones. The present-day arrangements cannot meet objectives and for that matter, cannot be left alone. They have to be brought within the fold of an institutionalized system, which will ensure nation-wide coverage in phases and the extent of solidarity needed thereof. The overwhelming majority of the masses cannot for long be left to themselves in this country where employment opportunities are limited.

16. "The efficacy of a social security system in the economic and social field depends on its scope, as regards persons protected and risks covered, on the adequacy of its benefits and on its financial soundness; but in actual practice it depends essentially on the quality of the administration".¹ And Administration of such programmes may have either of the following three forms:-
- (a) Public administration by the State which is the form found in the great national systems of social insurance and social assistance which usually cover the entire population, and often are indicative of a paternalistic philosophy;
 - (b) Joint Administration: by the parties concerned with the participation of the State, a recognized democratic form;
 - (c) Private administration by occupational groups and organisation.²
 - (d) the right to social security, that is to say to public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in oldage, or in other such cases".
17. The second alternative system is probably an answer to the present-day inadequacy of the administrative organisations for social security. The practice of having a "Board of Trustees" for Contributory Provident Fund constituted under the various autonomous bodies may be adopted for an overall programme. In fact, if the resources left under the various agencies and the Board of Trustees thereof are put together, a viable apparatus may be derived. The same agency may also take up other programmes for its disposal. Once such an arrangement is perfected, the entire work of planning, programming, directing and controlling of social security programmes may be repose in it.
18. The programme content of such an agency is ingrained in the constitutional provision in the country. The provision of Article 15 (d) of the Constitution of the People's Republic of Bangladesh³ inter alia, gives the scope of work of social security agency when it says that :

¹. Ricords R. Moles. "Administrative Aspects of Social Security · Policies, problems, needs and plans" in International Social Security Review, year XXVI, p-296.

² Ibid. op. cit. p-298.

³. Ministry of Law & Parliamentary Affairs & Justice-The Constitution of the People's Republic of Bangladesh, Dacca. 1975-p.6.

“It shall be a fundamental responsibility of the state to attain, through planned economic growth a constant increase of productive forces and cultural improvement in the material and cultural standard of living of the People, with a view to securing to its citizens - (among others)

19. The Constitutional provisions have visualized two aspects of the social security programmes. On the one hand it has made it obligatory on the part of the state to ensure **social security** to its citizens, on the other hand, it has emphasized the need for **planted economic growth**. It is presumed that the social security programmes will be adopted alongwith the programmes for the development of the economy and the recurrence of the contingencies including the cyclical unemployment will in the process be obviated as far as possible.

THE LINK BETWEEN SOCIAL SECURITY PROGRAMMES AND PLANNING MECHANISM.

20. Planned economic growth is the obvious choice for many of the developing countries. They have adopted this policy for reasons which are inherent in the environment as well as in the internal conditions. The low-per-capita income, the preponderance of the primary sector in the economy, the absence of refractions in the society, the adverse balance of payments, the lack of the technical know-how and technology, the upswing in the trend of population growth and, above all, the demonstration effect, have left Bangladesh like any other developing country, with a limited choice. As such “a plan for reconstruction and development of the economy taking into account the inescapable political, social and economic realities of Bangladesh¹ “was thought to be one of the topmost priorities in the country.
21. In order to prepare a plan the government of the People's Republic of Bangladesh set up a Planning Commission with the Prime Minister as Chairman and one of the renowned economists as the Vice-Chairman. This body was thus attached to the highest political authority on the one hand provided with an adequate hierarchy and personel for doing the work of planning. Most of the brilliant scholars of the country were put together in this organization, which succeeded in preparing the Five Year Plan “within a year and half”. Structurally the Planning Commission is a part of the Ministry of Planning sharing the responsibilities for planned economic growth with the External

¹. Planning Commission-The First Five Year Plan, 1973-78,

Resources Division, the Statistical Division and the Project Implementation Bureau which have distinct functions relating to resource and data mobilization as well as monitoring the implementation work respectively.

22. The Planning Commission has inherited the mechanism as well as the procedures from its counterpart in Pakistan, without much of review needed for adoption. The division of work has been done according to a sophisticated sectoral distribution of the economy as was visualized in the context of 1960s. The structure is tied to sectors like Agriculture, Industries Power and Natural Resources, Physical Planning and Housing, Transport, Communications, Education and Manpower, Health and Social Welfare, Family Planning, Government, Trade, Miscellaneous Services, General Economics and so on. Except in the General Economics Division and those in the Project Implementation Bureau, all the personnel in the Planning Commission are involved in the planning process, which has been largely prescribed on a model that may have limited relevance to Bangladesh.
23. If one is permitted to indulge in over-simplification, the entire planning process may be termed as a top-down process wherein the macro-analysis precedes the micro-analysis. Project planning and implementation have been tied to "availability of resources", "approval of the Schemes", "preparation of annual plans", "release of funds" and the like. In fact, a hypothetical exercise is done at the middle of each financial year for declaring the "availability of resources" and the allocation of such resources for various sectors. Individual agencies are required to process schemes for development and to seek allocation as per availability and not as per requirement. And priorities are also set by the Planning Commission, which is required, among others to :
 - (a) establish uniform standards for the evaluation of all schemes in all Ministries ;
 - (b) provide an evaluation of a project by a body which is not involved in its initial sponsorship nor will be involved in its execution ;
 - (c) have a comprehensive view of the worthwhileness or desirability of an individual project done with reference to the projects in other sectors and its effects on overall economic development. ¹

¹ The First Five Year Plan-op.cit.pp.74-75

23. Despite the objectives stated above, the planning mechanism in this country has not been able to come out of the morass of seemingly un-ending deliberations of calculations. With no basic data drawn from first hand sources, the exercise done by this body appears to be more presumptive than real. This has, of late, dawned on them and efforts have been made to gear up the Statistical Division which may provide basic and dependable data for planning and similarly development planning is being linked to managerial techniques like PERT and CPM evolved in developed countries.

As it is, the down-to-earth exercise needed for establishing the standard of compensation to be paid to affected workman, for example, cannot be done adequately by the Planning Commission within the present arrangement simply because of the preponderance of such exercise as cost-benefit ratio as against cost-effectiveness ratio for a benefit programme.

24. The scope of the social security programme, when computed in terms of the unemployment benefit, for example, is very wide. There being not a unified structure for administration of social security programmes, the exercise is not complete and any programme put by the authority is bound to be parochial or presumptive in regard to financial involvement. Without much thought being given to it, the priority attached by the Planning Commission, is bound to be far below other sectors. In fact, there is no weightage given to Social Security Programme in the present-day sectoral mechanism. There is hardly any appreciation of the need for Social Security Fund, which in most of the countries, is kept apart under statutory provisions. That being so, the question of resource constraints for which the contribution of the state and consequently even of industries are not forthcoming; but in the present context the actual reasons would be largely untenable and unknown as well. In a country, whose industrial workers are found to be getting monthly average emolument of Taka 240- and a total service of Tk. 104,605/- as wage, fringe benefit and bonus computed for a period of 30 years in the scale of pay of Tk. 155-5-205-6-235 plus fringe benefit of Tk. 60/- and festival bonus of one month's wage¹ there should be provisions against contingencies under a Social Security system. The same cannot be kept aside in the name of either resource constraints nor of non-existence of sectoral-equivalence in the Planning Commission.

¹ Report of the Industrial Workers' Wages Commission, 1973 Appendix III-p. 191.

Concluding Observations :

25. The entire exercise for finding a link between Social Security System and Planning Commission may be questioned as being futile by the pessimists. This is so in view of the fact that appropriate institutional framework does not exist both for administration of a comprehensive social security programme under a Ministry and for planning and processing of schemes thereof under Planning Commission. But Social Security system is a positive programme and the existing arrangement for it needs to be reviewed with a view to recasting them in the light of the following observations :—

- (i) the existing programmes may be amalgamated under a Department of Social Security under the Labour & Social Welfare Division of the Ministry of Health, Labour and Social Welfare for co-ordinated objectives and goal-oriented programming;
- (ii) the administration of the existing Provident Fund Accounts and the Contributory Provident Fund Accounts may be integrated under a high-level Board of Trustees responsible to the Parliament through the Ministry of Health, Labour and Social Welfare;
- (iii) the existing Welfare Trusts and Foundations which are catering the need of freedom fighters, the destitute women as well as the disabled persons may be put under the supervision of the same Ministry of Health, Labour and Social Welfare;
- (iv) the “food for work” programme of the Relief and Rehabilitation Ministry and for that matter all the temporary employment-generation programmes, unless they are found to be contributing directly to agriculture, should be transferred to the Department of Social Security of the Ministry of Health, Labour and Social Welfare
- (v) the Department of Social Security with appropriate structure and personnel should be created and appropriate expertise and know-how should be extended to it by the UNDP/ILO. Pending fullscale arrangements for that, counterpart services for such experts, as may be coming for Social Security Programmes, should be provided by the Labour and Social Welfare Division.
- (vi) appropriate quarters may be moved for creation of a unit for Social Security and Labour and Social Welfare in the Planning Commission with necessary re-adjustment of the existing workload therein and with inclusion of new workload as may be visualized in the light of the recommendations of this Seminar.

CONCLUSIONS AND RECOMMENDATIONS

Seventh Session

Recommendations

1. The existing programmes of social security may be amalgamated under a Department of Social Security under the Labour and Social Welfare Division of the Ministry of Health, Labour and Social Welfare for co-ordinated objectives and goal-oriented programming.
2. The administration of the existing provident Fund Accounts and the Contributory provident Fund Accounts may be integrated under a highlevel Board of Trustees responsible to the Government through the Ministry of Health, Labour and Social Welfare.
3. The Department of Social Security with appropriate structure and personnel should be created and appropriate expertise and know-how should be extended to it by the UNDP/ILO. Pending full scale arrangements for that, counterpart services for such experts, as may be coming for social security programmes, should be provided by the Labour and Social Welfare Division.
4. Appropriate quarters may be moved for creation of a unit for Social Security, Labour and Social Welfare, in the Planning Commission with necessary re-adjustment of the existing workload therein and with inclusion of new workload as may be visualized in the light of the recommendations of this Seminar.
5. A National Social Security Council be constituted with representatives from Government, employers and workers to advise the Government regarding formulation of policies relating to a national Social Security System.
6. An Institute of Social Security should be established at Dacca with assistance from ILO/UNDP and other related international organisations.

CHAPTER—III

Final Conclusions and Recommendation

CONCLUSIONS AND RECOMMENDATIONS

First Session

Conclusions

This session considered the paper on the concepts, methods and programmes of social security with particular reference to the ILO's role and activities in promotion of social security programmes in developing countries of Asia and recognised the need for institutional arrangement and policy decisions with regard to planning and implementation of a system of social security for Bangladesh. However, this would depend on locating the nature of actual problems of the country and the means of solving it, on which there should be more research and studies.

CONCLUSIONS AND RECOMMENDATIONS

Second Session

Recommendations

1. Attempts should be made to review and study the existing methods involved in Social Security Programmes in the light of experiences of other developing countries, in order to devise an appropriate strategy for development of programmes in this sector keeping in view the socio-economic conditions ;
2. The existing laws and provisions on Social Security Programmes should be reviewed and amended, where necessary, to widen the coverage of law as far as possible ;
3. The ILO and other International Agencies should be requested to come forward with technical and financial assistance for Social Security Programmes as well as for training of personnel in the field.

CONCLUSIONS AND RECOMMENDATIONS

Third Session

Recommendations

1. Comprehensive study with expert participation may be made by a tripartite committee consisting of the representatives of the workers, employers and the government to locate the areas where the social security measures already existing may be widened as well as new areas where we may enter for providing social security including Group Insurance and Provident Fund.
2. Further studies should be made about Employees Social Insurance Ordinance, 1962 for exploring the possibility of its implementation.

CONCLUSION AND RECOMMENDATIONS

Fourth Session

Conclusions

On the basis of an examination of the existing social security measures obtaining in Government and in plantations, and especially on the basis of deliberation on the Benevolent Fund and Group Insurance Schemes in the Government Sector and the Provident Fund Scheme in the plantations, the participations came to the conclusions that:

1. Existing provisions need review and revision in view of the higher cost of living as well as increase in the pay-able of the employees;
2. the existing arrangement for advances, loans and grants given from the Funds and Insurance need also to be reviewed and the system of giving annuity to employees, while in job, may be considered; and
3. the investment provisions from the constituted funds may be reviewed in the light of prospects of investment in other sectors.

Recommendations

1. The existing provisions for Group Insurance, Benevolent Fund and Provident Fund for the Government employees should be studied in the overall perspective of an integrated social security system, which should be uniformly applicable;
2. the proposal for granting annuity in association with pension and Provident Fund may be presented to the authorities for consideration;
3. the provision for loans from the Plantation Provident Fund by the contributors may also be examined;
4. the Government should contribute equally to the Government Servants Provident Fund in line with Employees Contributory Provident Fund;
5. the grant from the Benevolent Fund for a period of 10 years or upto the date on which the employee attained or might have, if he were alive, attained the age of 60 years, whichever is "later" instead of "earlier" may be considered ;
6. the Government should simplify the procedure of disbursement of all funds and claims including pensions, provident fund and final settlements, as the present procedure is not very easy and causes delay and great hardship.

CONCLUSIONS AND RECOMMENDATIONS

Fifth Session

Recommendations

1. Administration of existing laws dealing with social security measures should be improved;
2. A Tripartite Group may be constituted for considering the following recommendations:
 - (i) The existing provision of law with regard to termination of a worker without assigning any reason should be repealed with a view to guaranteeing service security;
 - (ii) The quantum of wages payable during lay-off period should be reviewed and increased as the existing rates of payment leads laid-off workers' families towards more hardships for no fault of theirs;
 - (iii) The rate of compensation payable to workers under the Standing Orders Act should be increased to one month's wages for each completed year of service if a worker is retrenched or discharged (assuming that termination clause is repealed);
 - (iv) Compulsory Contributory Provident Fund Scheme should be introduced in all industries and establishments and the accumulated Fund under the scheme should be used for the promotion of Housing Scheme for workers;
 - (v) Gratuity and/or pension scheme should be introduced for workers who after attaining the age of 60 retires from the concern or after completing 15 years' of service with a particular concern;
 - (vi) The Workmen's Compensation Act should be reviewed and updated and benefits under the Act should be available to all categories of workers as defined under the Standing Orders Act; and
 - (vii) A Social Security Law (after proper study and research) on the lines discussed in the Tripartite Labour Conference in 1969 should be introduced as soon as possible;
3. Proposals for introducing Social Security Scheme, in phases, covering the employees engaged in industrial shops and commercial establishments should be considered; and
4. Proposal for creating a Central Fund for Social Security should be considered. The Fund may be created under legislative cover and contributions from employers and employees should be made obligatory. The Fund, after meeting the obligations of the Social Security System, may also be invested for the following purposes:
 - (i) Employment promotion through investment in carefully selected projects;
 - (ii) Vocational training; and
 - (iii) Housing.

CONCLUSIONS AND RECOMMENDATIONS

Sixth Session

Recommendations

1. The Crop Insurance Scheme envisaged by the Shadharan Bima Corporation (General Insurance Corporation) may be considered for implementation and the Scheme for Livestock Insurance may also be adopted after due study.
2. A measure for indirect security for the rural population and for that matter the rural unemployed, job opportunities in the rural area, should be created with necessary reshaping of the rural social infrastructure and organisational structure of production by introducing co-operative farming system taking a village as the unit, keeping in view the goals of redistribution of income and capital formation for such co-operatives.
3. Steps may be taken to promote the extension of education with vocational bias, medi-care, and other facilities in rural areas as indirect measures for social security covering the rural people in general and the old among them in particular, in order to ensure job security health and better living conditions
4. The intensive population planning programme may be extended with incentive benefit given to those who adopt it.
5. A serious endeavour should be made to identify those branches of social security that are considered suitable for introduction in the rural areas as a pilot project.

CONCLUSIONS AND RECOMMENDATIONS

Seventh Session

Recommendations

1. The existing programmes of social security may be amalgamated under a Department of Social Security under the Labour and Social Welfare Division of the Ministry of Health, Labour and Social Welfare for co-ordinated objectives and goal-oriented programming.
2. The administration of the existing provident Fund Accounts and the Contributory provident Fund Accounts may be integrated under a highlevel Board of Trustees responsible to the Government through the Ministry of Health, Labour and Social Welfare.
3. The Department of Social Security with appropriate structure and personnel should be created and appropriate expertise and know-how should be extended to it by the UNDP/ILO. Pending full scale arrangements for that, counterpart services for such experts, as may be coming for social security programmes, should be provided by the Labour and Social Welfare Division.
4. Appropriate quarters may be moved for creation of a unit for Social Security, Labour and Social Welfare, in the Planning Commission with necessary re-adjustment of the existing workload therein and with inclusion of new workload as may be visualized in the light of the recommendations of this Seminar.
5. A National Social Security Council be constituted with representatives from Government, employers and workers to advise the Government regarding formulation of policies relating to a national Social Security System.
6. An Institute of Social Security should be established at Dacca with assistance from ILO/UNDP and other related international organisations.