

A STUDY ON SOCIAL INSURANCE SCHEMES IN INDIA WITH SPECIAL REFERENCE TO PRADHAN MANTRI SURAKSHA BIMA YOJANA SCHEME

M.J. Senthil Kumar¹, P. Sundara Pandian² and N.R. Nagarajan³

^{1,3}Department of Commerce, Sri Kaliswari College, India

²Virudhunagar Hindu Nadars' Senthikumara Nadar College, India

Abstract

There are numerous risks in everyday life of human beings. The chances of occurrences of the events causing losses are uncertain because the risk may or may not take place. Insurance is assurance against these instabilities of life.

Many of the rural populations do not have any kind of security/insurance scheme. In order to provide the accidental insurance coverage to all people especially to rural and unorganized workers, the Government of India launched insurance scheme namely Pradhan Mantri Suraksha Bima Yojana (PMSBY). The motto of the scheme is covering the uncovered, serving the unserved and blessing the unblest segment of the society and ensure that no Indian citizen will ever worry about accidents or disabilities.

Nearly 18.22 crore Indians were benefited by this scheme during the financial year 2019-2020. By implementing PMSBY scheme the Government is heading towards the vision of "New India-Swasthse Samridhi". This article highlights the details of the PMSBY scheme and its progress.

Keywords:

Uncertain, risk, Insurance, Unorganized Workers, PMSBY

1. INTRODUCTION

Today we live in an era of globalization and digitalization. The physical expansion of the geographical domain increases the scale and volume of global flows and the numerous global factors that affect human beings in their day to day lives. India like any other country of the world could not afford itself to remain outside the clutches of the impact of globalization on its economy, social and industrial relations [1]. In the present competitive world, the working class has a dominant role to play because no system can work smoothly by neglecting this important segment of the society. Most of the employees in India depend on the day's work for a day's wages. If they are unable to work, they find themselves in financial difficulties [5].

In the ancient days, India is famous for their joint family system that took care of the social security needs of their family members provided it had ownership of material assets like land. In keeping with its cultural traditions, the family members and their relatives have always discharged a sense of shared responsibility towards one another [6]. To the great extent that the family has resources to draw upon, this is often the best relief for the special needs and care required by the aged and those in poor health. Due to migration, urbanization and demographic changes there has been a decrease in joint family system and nuclear family system [7].

Social security is one of the fundamental needs for the modern human society. It is devised to provide alternative sources of income to the workers at the time of contingencies through a concerted effort of the most appropriate organizations. The main

motto of the social security measure is to appropriately meet the socio-economic contingencies of individuals and families, thereby providing the confidence that their standard of living will not be eroded [8].

1.1 SOCIAL SECURITY

Social security is paramount for the well-being of people and society. Social security is the basic human right (though not one of the constitutional fundamental rights), and its fulfillment will contribute to achieving various developmental goals of the nation. It is a far reaching benefit in the form of reducing infant and maternity mortality rates, improving productivity and promoting sense of pride and self-respect amongst the citizens. Social security measures also help to eradicate poverty to some extent. Apart from providing protection against health and life hazards in work situations, social security measures progressively cater to the welfare measures involving provision of better health care, maternity care, old age provisions, etc [9].

1.2 COMPONENTS OF SOCIAL SECURITY

Social security programme is a more comprehensive and broader term. It is an indispensable and essential scheme for any developing economy, especially India, when it comes to the welfare of the state. The two important modes for offering social security schemes are social assistance and social insurance. Thus, social assistance and social insurance are referred as the two faces of the same coin. Both of these are part of a social security system.

1.2.1 Social Assistance:

Social assistance means the voluntary assistance provided by the society to needy persons, especially to the poor people without any obligation on them to pay any contribution for receiving benefits like sickness benefit, maternity benefit, old age pension, workmen's compensation, etc. In simple, social assistance programmes provide benefits for persons of small means with an amount that is adequate to meet a basic standard of living and it is exempted by the Government from taxation.

1.2.2 Social Insurance:

Social insurance is a co-operative device. It aims at providing adequate benefits to the insured on a compulsory basis in times of unemployment, ill-health, disablement and other emergencies. It is one of the important modes to prevent individuals from dying because of poverty or misery, and to provide necessary assistance during times of emergency.

1.3 STATEMENT OF THE PROBLEM

India is one of the young and fast developing economies in the world having declared social and economic justice to all in the preamble of the Constitution and also being a welfare state. Most of the people in India do not have access to formal sources of