

National Social Security Policy: A Reality Need for Nepal

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Abstract

The concept of social security, as presented in the Universal Declaration of Human Right, explains that everybody has right to social security in order to ensure a life with justice, equality and dignity. Social security refers to the financial support action programs of government intended to promote welfare of the population. It is potentially directed to vulnerable segments of the society such as children, the elderly, the sick and the unemployed. Germany was the first nation to adopt a modern social security scheme with the introduction of old age social insurance program. The 1991 People's Movement for restoring multiparty democracy and 2006 people's movement for federal democracy has contributed to raise the voice of the mass for demanding social security services especially to take care the post conflict rehabilitation situation of the country. This pressure has created an opportunity to formulate a national social security policy as a reality need of the country.

Introduction

Everyday in our daily dose of news, we come across incidents on social insecurity related events including abduction, killings, accidents, child labour exploitation, unsafe foreign labour migration, and violence against women, human trafficking, and misbehavior to senior citizens. All these incidents demand state

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security since it is the state's responsibility to ensure the right to life of every citizen with dignity, justice and equality. In other words, social security service is a tool for the government to take care of well being of its citizens.

The global environment for developing social security service emerged during the post World War II recovery plan for global socio-economic situation. Social security is originally, used to refer specifically to social insurance, but later on more generally it is a term used for personal financial assistance, in whatever form it may take. It also refers to income maintenance for relief of poverty, social protection, redistribution and solidarity. It is not charity but mutual understanding and cooperation among the people, the haves and the have-nots towards attaining welfare based country. The reasons for financial assistance include: for the relief of poverty, social protection, redistribution and solidarity for welfare state.

Social security refers to the action programs of government intended to promote the welfare of the population through assistance measures, guaranteeing access to sufficient resources for food and shelter and to promote health and wellbeing for the population at large. It is directed towards potentially vulnerable population of the country such as children, the elderly, the sick and the unemployed. Social security services are often called social services as well if it is provided to all at mass basis.

Historical perspective of social security needs to be derived from all religions which make provisions for charity to the weaker section of the society. Germany was the first nation to adopt modern social security scheme with the introduction of old age social insurance program designed by Otto Von Bismarck in 1889 A.D. In 1935, President Roosevelt of the US passed the Social Security Act and Prime Minister Winston Churchill in UK introduced the policy for social security for all. The policy is based on Beveridge plan to cover the people of security from the cradle to the grave. The scheme was based in six 'principles' of insurance: comprehensiveness, classes of insurance, flat rate benefits, adequacy and unified administration.

The concept of social security took universal root with the adoption of the Universal Declaration of Human Rights. Social security is in fact a concept

enshrined in Article 22 of the Universal Declaration of Human Rights(UDHR) December 10 1948 UN,General Assembly ,which states that “*everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality*” The Article 22 states that everyone as a member of society has right to social security to provide financial benefits if S/he is unemployed physically incapable and socio-economically marginalized .

Being a declaration UDHR does not have obligatory force upon signatory members of UN but it has been made mandatory by adopting two International conventions ESC Rights and Civil and political Rights on 16 December 1966. Accordingly, it is obligatory to the member states to adopt social security services to ensure the basic social and economic need of the people in general and also of the marginalized.

In 1952, the ILO adopted the social security Minimum Standard convention 102 and in 2001, it introduced a global campaign on social security and coverage for all. In fact, 20th century has mobilized global commitment on Social Security from its UN member states irrespective of its status of development. Nepal, as member state of UN and as a signatory country of different civil political and ESC right related conventions, has international commitment to develop social security services in line with its constitutional provisions of the country.

The status of social security in Nepal

Talking about the historical development of social security in the context of Nepal, the Hindu and Buddhist religion provides basic activities of social security such as giving alms, philanthropic health and education services. In ancient periods during Lichhabi, Malla and even Rana regime social security policy of Nepal was primarily based on feudalistic and dictatorial system which depends upon orders of the head of state. The end of Rana family regime through people’s movement followed historical introduction of Democracy in the country in 1951. The country

adopted the constitutions and formulated acts and regulations to run the state activities under the rule of law.

Nepal is a signatory country of UDHR and so far has signed and ratified 19 Human Rights related Treaties and Conventions, 11 ILO Conventions and four international humanitarian laws. Accordingly, in line with the national need, the GoN has formulated acts regulations, plans and action plans in which the activities related to social security services have been included to address the needs of targeted vulnerable woman, children, and ethnic community and marginalized people.

The Constitution of Nepal 1992 had recognized social security as a state responsibility and the Interim Constitution of Nepal 2006 has ensured social security as a fundamental right of the people. The Part III of the Constitution presents Fundamental rights with 33 Articles which provides comprehensive rights to its citizen within the domain of economic, social and cultural rights. These rights include right to freedom, equality, untouchability and discrimination against caste, publication publicity and press, environment and health, employment and social security, women's right, social justice, children right, religion right, judicial right against imprisonment, torture, exploitation, exile from country and right to information, secrecy, labour and judicial remedies. Provision of these rights demands social security law and policy as pre-condition to translate these provisions of fundamental rights into action especially relating to untouchability, caste discrimination, torture and exploitation.

In addition, the constitution has made 33 percent representation for women with social inclusion in the Constitutional Assembly (CA). Accordingly, there were 197 (33%) women CA members out of 601 CA members, representing different ethnic and marginalized communities.

In the periodic plans of Nepal, from the First Five year plan to Eight year plan period 1955-1997 AD (nearly two decades) programmes relating to social security were included under respective sector programme. The Ninth Plan 1997-2002 made notable deviation by including social security chapter addressing needs of helpless, disabled, senior citizen and also of indigenous people, ethnic groups, marginalized and oppressed community. The policy of this chapter is to attain the

objectives of alleviating poverty and enhance the living standard, eradicate social discrimination, uplift over all socio-cultural status through creation of social and economic opportunities. The current 12th Plan- 2010/11-2013/14 in its Seventh Chapter speaks about targeted programmes for *dalits*, *madhesis*, *muslims* and marginalized communities and programs for post-conflict affected population. The policies and programs in these sectors are related with social awareness program against social and cultural discrimination, education, health and economic empowerment program and institutional arrangement. Since the programs are related with multi-sectoral areas, the respective ministries have been made responsibilities for implementation.

The over view on the type of social security services in the country can be presented in three categories: namely social security service in the development sector, in the organized sector and the casual social security program.

Talking about the social security in the development sector, the activities relating to social security has been addressed as part of general sector issue. Such as in health sector, there is a provision of free listed essential drugs in the health institutions including sub health posts, health posts, primary health institutions and hospitals. Delivery allowance is provided to ensure maternal and child health. Similarly in the education, free education up to lower secondary school, women education, scholarship, food for school going children are some examples. Under the local development sector, *Raute*, *Jirel*, *Tharu* and other marginalized communities enjoy target specific program to enhance their standard of living. The GoN has also launched target program for the post-conflict displaced with an objective to rehabilitate them in their respective communities.

The social security program in organized sector is governed by Acts and regulations of respective personnel administration in institutions including the GoN, bank service and state owned corporations. According to the Acts, the employees and their families are entitled to health and education facilities, festive bonus, and gratitude and pension after retirement. In the Civil Service Act 1992 and Regulation 1997 of the GoN, chapter 12-14 present details of security provisions for employees. Under the health security of the Act, the employees are entitled to enjoy health expenditure benefits of 12, 18, and 21 months of equal salary benefits respectively

by the gazetted officers, non-gazetted officers and employees without positions. In addition, the employees can have special health expenditure benefit in case of treatment for the serious diseases amounting to NRs. 500,000 and also the provision of health treatment outside country. The employees also enjoy health insurance benefit of NRs. 100,000. Further, the employees are also entitled to disability benefit. The other benefits they enjoy are education expenditure for two children and education leave for three years for themselves, festival bonus together with gratuity and pension after retirement, every civil servant is entitled to pension if the service period is twenty years and gratuity if the service period is less than twenty years.

The other system of social security of the country presents casual form of social security like food for work, microfinance, micro insurance, allowances to the senior citizens, person with disability and widows. The recent benefit GoN has adopted compensation security amounting to NRs one million in case of death and injuries due to public riots and accidents. Nevertheless, the concern has been made whether or not the victim receives easy access to the full compensation due to administrative hurdles and interest of kith and kins. The Ministry of Labor and Transport has created social security fund by raising one percent tax from the foreign labour migrants since 2009-2010 to provide social security benefits to the contributors. The social Security Management Fund has been established to manage the fund and benefit.

The concern for a national social security policy

Concerning socio economic and political development especially after People's Movement, in 1991 and 2006, there is increased pressure of the people demanding socio-economic security measures from the government as state responsibility and accountability. The reasons for increasing pressure can be enlisted as displaced post conflict affected population, enhanced political, social and economic awareness of people, structural change in demography (increasing population and increasing senior citizen) rural- urban difference in the standard of living and all the more poverty of the people who need state sponsored social security policies. Even though the previous constitutions and also Interim

constitution aims at establishing a social welfare based state, the government of Nepal has yet to work for formulating national social security policy.

It is high time for the government of Nepal to think about introducing a national social security policy in the country as a declaration of a definite course of action for the achievement of establishing social welfare state as per the constitutional mandate. Policy is a general directive as to how social security task should be interpreted and performed. It is an expression of goals for improving the social security situation, setting the priorities among those goals and providing main direction for attending them. The social security policy needs time bound attention by addressing issues of: unemployment, medical care, maternity, incapacity for work due to illness, disability, invalidity, old age, child maintenance, death of the wage earners or dependent benefits as areas of concern for the policy.

Steps to formulate the policy

- Prepare concept of the policy based on review of the current situation of the social security, targeted population and opportunity of resource mobilization
- Organize public discussion with related implementers
- Discussion with pressure groups
- Mobilize media for public opinion
- Prepare draft national policy on social security and organize discussion with parliamentarians and judicial sector
- Finalize the document for approval and implementation by Cabinet

Conclusion

Nepal is federal democratic country heading towards attaining social welfare based society. The provisions made in the constitutions, the policies undertaken in the periodic plans and the Acts and regulations present that GON has accepted social security as one of the sectors to attain its goal of social welfare state. It has provided three kinds of social security services by sector, by law and by casual services. However, overall access to social securities services as against needy population is

significantly low. Analysis of the provision of service presents that it is scattered and there is no national social security policy as such with objectives and strategies to regulate the implementation and monitoring of the social security services to evaluate impact of the current services on the targeted population to raise their social economic standard. Therefore, the need of national social policy should be a priority policy of the government and following steps need to be considered for the formulation of the policy.

- For formulating and adapting the national social policy establishment of steering committee with multi-sectoral representative under the coordination of National Planning Commission as Chairperson will be the first step in this direction.
- For drafting the policy, policy draft committee with experts as members under the coordination of Secretary of NPC will facilitate the work.
- Social security is an expensive sector. So the adequate fund needs to be mobilized from external and internal sources by establishing a social security fund.
- With the development of the private sector economy of the country, banks and financial sector, real state, media and communication the scope of corporate social responsibility has also been widened and need to be considered as supporting partner for the social security policy component.

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