

Navigating the Social Security Landscape in India: A Broad Analysis

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Abstract:

Social security and labor laws in India are intended to protect the rights and the well-being of workers. These laws cover many topics, including employment conditions, wages, health and safety, social security benefits, and more. In India, the evolution of social security legislation has been slow, with many laws and changes enacted throughout the years to address the social and economic demands of employees and their families.

Here, the social security regulations are largely centered on the Social Security Code, which was implemented as part of labor code amendments in 2020. The Social Security Code strives to offer a comprehensive framework for employees and their families to receive social security payments. However, before this code, there were other significant landmark rulings and measures enacted to safeguard the laborers.

This research paper will provide an overview of all the different laws that have been put in place to benefit employees since the awakening of the labor movement. Incorporating evidence from catalogs, historical judgments, gazettes, and other such articles, the paper provides a full and complete understanding of the history, timeline, and all the different laws that have been put in place for laborers under the guise of social security and whether all such statutes are being used for their intended purpose or if any specific areas can be improved.

Keywords: Social - Security - constitution - Labor codes

Introduction:

Social Security is an important component of a country's welfare system since it ensures the well-being and economic stability of its population. In the Indian context, social security refers to a set of policies and programs aimed at providing financial aid, healthcare, and social support to people and families confronting a variety of life issues. India's commitment to social security underscores the country's aim to build an inclusive and equal society in which every individual may live a decent life. The roots of social security in India may be traced back to the Constitution's Directive Principles of State Policy, which emphasize the state's obligation to protect the right to labor, education, and public assistance for its residents. The Indian government has adopted several plans and projects throughout the years to fulfill the different needs of its population, including healthcare, unemployment benefits, maternity benefits, and old-age pensions. As India develops economically and socially, the importance of a strong social security

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system becomes clearer. The government's commitment to increasing and upgrading social security measures indicates a proactive approach to tackling the issues faced by vulnerable people while also building a climate of social inclusion and economic stability.

Social Security: The Timeline

Social security is a system of government programs that give financial support and help to individuals and groups dealing with a variety of life events such as retirement, disability, unemployment, or the loss of a family breadwinner. The fundamental purpose is to provide people and families with a basic level of living and economic stability. Social Security is one of the most significant parts of a welfare state that aims to provide a safety net for the country's residents. Its legislation is critical to safeguarding a nation's residents' well-being and economic stability. The growth of social security legislation in India has been impacted by the country's socioeconomic circumstances, reflecting a careful balance between labor requirements and larger economic imperatives.

Some ancient civilizations had basic types of social aid, such as the Roman Empire and ancient China. These systems frequently included assistance for the elderly, widows, and orphans. While the concept of social security was not invented in the United States, the word "social security" was created by an American, Abraham "Abe" Epstein, a national leader in the social welfare movement during the first part of the twentieth century. The term "economic security" was coined by Franklin Delano Roosevelt.³ He used it in 1934, when he established the Committee on Economic Security, and again in 1935 when he sent a message to Congress advocating passage of the Committee's recommendations.

In India, fast industrialization generated a new class called the Industrial proletariat with a rural background and little social and material resources. They were in desperate need of systematized assistance from social security services. The non-industrial classes were likewise in desperate need of social security as a result of industrialization in the nineteenth century. Indian social reformers, labor welfare organizations, and many progressive companies pushed the government to implement social security policies to protect workers from a variety of calamities. Before gaining independence in 1947, several princely states and British provinces in India had initiated social welfare measures, including provisions for healthcare and relief for distressed sections of society. It was also advised that voluntary gratuity programs be implemented, but no action could be taken to make this happen. The Government of Bombay was the first to propose passing a Maternity Act in 1929. It was discovered that productivity is dependent on the quality of labor, which is dependent on the quality of labor, which is dependent on the quality of labor, which is dependent on the health, nutrition, literacy, social values, and customs.

Into the constitution

The constitution makers were thoughtful enough to take social security as a concept to be included in the constitution. Article 41, thus gives a glimpse into their interpretation of what social security is. It is a policy direction concept. The directive principles are instructions and principles given to the Indian government to be followed in the country's governance. It says,

³ <https://blog.ipleaders.in/social-security-and-its-relevance-under-labour-legislation-in-india/#:~:text=The%20Employees%20State%20Insurance%20Act,with%20ten%20or%20more%20employees.>

“41. Right, to work, to education, and to public assistance in certain cases The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education, and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.”⁴

This article emphasizes the state's responsibility to ensure that its inhabitants have the right to labor, education, and public assistance under specified conditions. It requires the government to make adequate arrangements within its economic capabilities to handle concerns such as unemployment, old age, disease, disability, and other situations of undeserved want.

In certain circumstances, the constitutional declaration states the right to labor, public aid, and education. The state is also expected to provide efficient provisions while remaining within economic and developmental constraints. This item 41 was originally article 32 in the draught. On November 23rd, 1948, this draught piece was debated. During the debate, one member proposed an amendment to include medical relief in addition to the social amenities provided. The same member also insisted on changing the word "undeserved want" to "deserving relief." Meanwhile, another member pointed out that this right to medical treatment is guaranteed by Draught Article 38 and Final Article 47 of the Constitution. As a result, it is unnecessary to repeat the same. As a result, this item was enacted on the same day without any revisions.

Article 43⁵ of India's Constitution states that the state is responsible for providing social security to its citizens through effective legislation, economic organizations, or any other appropriate means to all workers, industries, a living wage, a decent standard of living, leisure time, and social and cultural opportunities. Social Security plans include a wide range of social insurance, including maternity benefits, pensions, gratuities, and disability benefits.

Labor laws and Social Security

Labor laws in India include a wide range of employment issues, including social security provisions aimed to protect workers' well-being. Provisions for provident fund, employees' state insurance, gratuity, and other welfare measures are key parts of social security under Indian labor laws. India's social security legislation has developed since Dr. Ambedkar's day. Dr. Ambedkar was India's first Labour Minister. Dr. Ambedkar himself took massive steps. His efforts resulted in the reduction of working hours from 14 to 8 hours, worker insurance, the introduction of the Employees Provident Fund Law, and modifications to the Workmen's Compensation Act of 1923 and the Factories Act of 1934.

- **Workmen's Compensation Act, 1923**

Workmen's Compensation Act, later renamed the Employees Compensation Act of 1923, provides compensation for losses caused by accidents or occupational diseases occurring during and arising from employment, including death, permanent total disability, permanent partial disability, and temporary disability. It gives compensation based on the severity of the harm sustained while on the job.

- **Employees' Compensation Act of 1923**

The Employees' Compensation Act of 1923 provides for workers' compensation in the event of an accident or death while on the job. is a significant piece of law in India that offers compensation to employees for work-related injuries or occupational illnesses that occur as a result of and during employment. The Act applies to all employees receiving salaries up to a certain amount and doing tasks defined in the Act's

⁴ <https://indiankanoon.org/doc/1975922/>

⁵ <https://indiankanoon.org/doc/1256023/>

schedule. Certain kinds of personnel, such as those who work on railway trains, in navy or military forces, or who operate outside of India, may be excluded.

- **Gratuity Act, 1972⁶**

A lump sum payment made by an employer is known as a gratuity. The Act requires businesses with 10 or more workers to give employees who have worked for five years or more 15 days of extra pay. Employers are required to pay gratuity to workers who have completed at least five years of continuous service under this Act.

- **Employees State Insurance Act of 1948**

This Act established a fund to offer medical treatment to employees and their families, as well as monetary benefits during sickness and pregnancy, and monthly payments in the event of death or incapacity for individuals working in companies employing 10 or more people. It provides employees and their families with social security and health insurance. It applies to certain types of businesses and employees earning less than a certain pay cap. Medical benefits, sickness benefits, maternity benefits, and other benefits are provided to insured individuals and their families under the system. The Act applies to factories and other businesses listed in the Act's schedule that employ 10 or more people. It also applies to specific types of businesses that employ 20 or more people. Both the company and the employee contribute to the Employees' State Insurance (ESI) fund every month. Employees contribute a lesser percentage of their salaries, while the employer contributes a larger percentage of their wages. The revenues received are used to fund the Act's numerous social security programs.

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

India's Employees' Provident Funds and Miscellaneous Provisions Act, 1952, is the legislation governing the EPF program. Under this program, both the employer and the employee contribute a portion of the employee's base salary and dearness allowance to the provident fund. The EPF offers financial stability to employees after retirement and can also be withdrawn in certain circumstances such as home purchase or medical emergency.

The Act applies to businesses that employ 20 or more people and operate in specific industries. Establishments with less than 20 employees, on the other hand, can be insured voluntarily. Both the employer and the employee contribute to the Employees' Provident Fund (EPF) on a monthly basis. The government sets the contribution rates, which are a proportion of the employee's base pay and dearness allowance. The EPF is made up of contributions from both the employer and the employee. The whole payment is credited to the employee's account, and the interest is credited on an annual basis.

The Employees' Provident Funds and Miscellaneous Provisions Act of 1952 is critical in assuring employees' financial stability upon retirement and other defined occurrences. The Employees' Provident Funds and Miscellaneous Provisions Act of 1952 is critical in assuring employees' financial stability upon retirement and other defined occurrences. It underlines the government's commitment to establishing a social safety net for India's workforce.

These above-mentioned acts were the driving force of social security in accordance with labor laws. This field was revolutionized with the Code on Social Security, 2020 which evolved as a key text, expressing the ideals of a nation devoted to improving social fairness, economic inclusion, and the general well-being of its residents.

⁶ <https://labour.gov.in/sites/default/files/Chapter%20-%206.pdf>

Code on Social Security, 2020

The Code on Social Security, 2020, is a watershed moment in Indian legislation, bringing in a comprehensive framework aimed at changing and modernizing the country's social security sector. The Code, envisioned as a critical step towards securing comprehensive social protection for all people, consolidates and rationalizes current social security legislation, weaving together a single narrative that answers the changing requirements of the workforce in a dynamic socioeconomic setting. When adopted, this groundbreaking piece of legislation has the potential to touch the lives of millions of workers across many industries by providing a more inclusive and strong social security system. The Code on Social Security, 2020⁷, demonstrates the government's commitment to building a welfare state, encouraging economic well-being, and minimizing workers' vulnerabilities in the face of a variety of life events.

The Code supersedes nine previous social security laws, including the Employees' Provident Funds and Miscellaneous Provision Act of 1952 and the Employees' State Insurance Act of 1948. The Act was introduced as a beacon of hope for this unregulated industry, as it provides for retirement provision, provident fund, life, and disability insurance, healthcare and unemployment benefits, sick pay and leaves, and paid parental leaves for employees in both organized and unorganized sectors. The Code intends to make social security benefits more portable. It proposes the construction of a unique portable number for all workers that would be connected to their Aadhaar number, allowing them to access social security benefits from anywhere in the nation. Furthermore, the Social Security Code gives the Central Government and state governments authority to develop systems for the benefit of gig workers, self-employed individuals, and other industrial laborers. EPFO, National Pension Scheme, National Social Assistance Programme, and other extant social security measures in India are listed here.

The Code aimed to combine and streamline India's current social security legislation, such as the Employees' Provident Funds and Miscellaneous Provisions Act of 1952, the Employees' State Insurance Act of 1948, the Maternity Benefit Act of 1961, and numerous other related laws. The Code was intended to apply to businesses with a specified number of employees, with provisions for extending social security coverage to both the organized and unorganized sectors. The Code acknowledged the changing nature of labor, particularly in the gig and platform economies, and incorporated measures to expand social security benefits to workers in these areas.

Women-centric legislations:

• Maternity Benefits Act:

The Maternity Benefit Act,⁸ a key piece of law in India, demonstrates the country's commitment to supporting the well-being and rights of working women during a critical period in their lives. Article 42⁹ of the Indian Constitution requires the state to provide reasonable and humane working conditions as well as maternity leave. The purpose of this Act was to achieve social equity for female workers.

This legislation, enacted in 1961 and later updated to reflect societal developments, emphasizes the critical need to offer maternity benefits to female employees, recognizing the dual role they play as contributors to the workforce and nurturers of the next generation. The Maternity Benefit Act creates a framework that provides expecting and new mothers with a variety of advantages, including paid maternity leave, medical

⁷ <https://taxguru.in/corporate-law/social-security-relevance-labour-legislation-india.html>

⁸ <https://indiankanoon.org/doc/1256023/>

⁹ <https://blog.ipleaders.in/article-42-of-the-indian-constitution/>

allowances, and nursing breaks, promoting an environment in which parenthood is not viewed as a handicap but as a welcomed component of a woman's professional path.

● **Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, is a watershed moment in Indian legislation, addressing a crucial aspect of gender-based discrimination and fostering a safe and dignified work environment for women. The walk towards the act however was a long struggle, starting with the “Vishaka Guidelines”¹⁰ which was established in 1977. The case includes a gang rape of a social worker in Rajasthan, and it has raised questions about the absence of workplace sexual harassment policies. In the absence of specific legislation, the Supreme Court adopted the Vishaka Guidelines. These suggestions outlined the steps that businesses and organizations should take to prevent and address workplace sexual harassment. The National Commission for Women (NCW) played an important role in campaigning for a separate legislation against sexual harassment. The NCW produced the Sexual Harassment Bill, which evolved into the current statute. The Sexual Harassment Act of 2013 was a big step forward in tackling gender-based workplace discrimination. It requires organizations to create Internal Allegations Committees (ICCs) and define processes for the prevention and resolution of sexual harassment allegations.

Conclusion

Finally, the complicated tapestry of social security within labor legislation acts as a cornerstone in the establishment of a just and equal society. As we negotiate the various job landscapes, the comprehensive safeguards inherent in social security legislation serve as defenders, sheltering workers from the uncertainties that life may throw at them. The growth of labor laws reflects the changing requirements of a dynamic workforce, from the historic landmarks of the Employees' Provident Fund and Miscellaneous Provisions Act to the modern endeavors contained in the Code on Social Security.

Since independence, India's social security legislation has gone a long way, showing the country's dedication to solving the socioeconomic issues that its residents confront. As the country evolves, there is an urgent need for a proactive and flexible strategy to social security, one that responds to the workforce's different requirements while embracing technology developments. India can set the path for a more strong and resilient social security framework, protecting the well-being and dignity of all its residents, by addressing current gaps and increasing inclusion.

The core of social security under labor laws resides not just in compliance, but in building a culture of empathy, dignity, and shared responsibility in the goal of a just and inclusive society. It invites us to imagine workplaces in which the dignity of work is supported by the security of social provisions, ensuring that no worker is left subject to the vagaries of fate.

As we consider the evolution of social security under labor laws, remember that the ultimate measure of a society's success is not just economic wealth, but also the caring embrace of its workers. The quest for social justice continues in this symbiotic relationship between legislation and humanity, forging a path where every worker can tread with the assurance that their toil is honored, their rights are protected, and their well-being is safeguarded against the uncertainties of an ever-changing world.

¹⁰ <https://gptsoraba.in/english/doc/vishakaguidelines.pdf>

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