

Labour Laws and Social Security in India

Saranya S¹, Pradeeksha V²

^{1,2}School of Law, Sastra Deemed University, Thanjavur, Tamil Nadu

ABSTRACT

In the presented research paper, it is attempted to clarify the articulation between Labour laws and social security. The paper focuses on what is social security and its need and necessity in Labour law and would inculcate the relevance of social security under Labour legislation.

Social Security offers benefit packages that include health care and financial security, protecting not only the subscriber but also his or her entire family. Social Security programmes are intended to provide families with long-term, minimum support in the event that an earning member retires, passes away, or becomes disabled. This research aims to thoroughly examine and evaluate the benefits, drawbacks, and constraints associated with social security following the introduction of labour laws.

An extent of the paper would also assess the code on Social Security, 2019 and 2020 giving an in-depth knowledge on the compliances of the social security with respect to that of Labour Laws in India.

The research paper also encompasses the legal stands present in other countries, also inculcating the views and regulations of International Society for Labour Law and International Labour Standards on Social security.

The rights and privileges of working people in a civilised society are determined by the tenets of contemporary labour regulation. An attempt is made to study the Principles of Modern Labour Legislation and how it differs from that of the previous ones in the domain such as health insurance, old-age pension, maternity benefits, payment of gratuity, etc.

Keyword: Labour Laws, Social Security, Unemployment, Unorganised Sector

INTRODUCTION

A welfare state's basic social policy component, social security forms the basis of most national social policies. The state maintains a minimal standard of living for each and every individual through social security measures. A number of programmes are included in social security, such as pensions, provident funds, family allowances, health and unemployment insurance, and allowances for widows and survivors. Members of social insurance programmes are required to pay into a fund from which they will eventually get benefits. These programmes are mandatory. The social security system in India is made up of a number of plans and programmes, however its applicability is limited to certain segments of the populace.

The labour welfare initiatives in India are covered in this section, with an emphasis on the unorganised sector. While some forms of maternity benefits and workmen's compensation have existed for a while, social security made substantial strides following India's independence. Article 14 of the Indian Constitution requires the state to establish efficient mechanisms for public assistance in situations of underserved need, such as unemployment, old age, illness, disability, and other similar situations. In order to meet these obligations, the government has developed social insurance programmes for industrial workers and revised the Workmen's Compensation Act of 1926. Pensions, provident funds, and gratuity

plans are examples of old age provisions in India. These are different types of retirement benefits. A gratuity is a one-time payment that an employer gives to an employee or their beneficiaries in the event of their retirement, disability, layoff, or death.

Employment issues and labour relations are governed by Indian labour laws. Only a small portion of workers are protected by laws, despite efforts to safeguard them. Given that India is a federal government, labour is governed by the Indian Constitution's concurrent list, giving both the federal and state governments authority over issues pertaining to employment and labour relations. Many articles pertaining to labour rights are found in the 1950 Indian Constitution, including those in sections 14–16, 19(1)(c), 23–24, 38, and 41–43A. Article 16 provides the right to "equality of opportunity" for employment or appointment under the state; Article 14 states that everyone should be treated equally before the law; and Article 15 states that the state should not discriminate against citizens. Under Article 19(1)(c), every individual is specifically entitled "to form associations or unions." Article 24 forbids the employment of minors under the age of 14 in mines, factories, or other hazardous jobs, while Article 23 forbids all forms of forced labour and human trafficking.

According to the Periodic Labour Force Survey Annual Report 2021–2022, around 53% of salaried workers in India do not receive social security payments. This effectively means that these workers are not eligible for provident funds, health insurance, pension funds, or disability insurance. In the meantime, gig workers are becoming one of the most popular ideas in developing nations like India, where social security benefits are infrequently available.

According to the ILO, social security is the safety net that a community offers to people and families in order to guarantee them proper healthcare and stable income. Such dangers are essentially uncertainties that a person of modest means cannot adequately provide for on his own, either by aptitude or foresight alone, or even in private collaboration with others. In actuality, social security refers to protection from "squatter giants," or from all the problems that result from the uncontrolled and disorderly expansion of urban areas. Its purpose is to safeguard the impoverished and guarantee them a respectable quality of life.

INDIAN SOCIAL SECURITY SYSTEM

If we go back in time, the impoverished and unlucky were provided with social security as an antiquated kind of social protection under the joint family and caste systems. Even with all of the joint families' flaws and inadequacies, the members were given a rudimentary shield against a variety of problems. Economic challenges, ageing, and unemployment were not personal issues for just one person. Joint families took up the challenge of social security provisioning in such existing conditions. Members of a specific caste were also provided with protections including medical care, financial support for orphans, widows' grants, and educational assistance for underprivileged children through scholarships. However, the emergence of urbanisation and industrialization contributed to the breakdown of these structures, and as a result, the idea of social security changed in India in response to the influence of the modern industrial unit and the West.

India's social security regulations began to take shape during the tenure of Dr. Babasaheb Bhim Rao Ambedkar. India's first Labour Minister was Dr. Ambedkar. Dr. Ambedkar himself made tremendous efforts. His efforts resulted in the Workers Provident Fund Law, insurance for employees, a reduction in working hours from 14 to 8, and modifications to the Workmen's Compensation Act of 1923 and the Factories Act of 1934. Dr. Ambedkar's contributions will always serve as a beacon of hope for the future.

Article 43 of the Indian Constitution states that the state must guarantee social security to all workers, industries, and citizens through appropriate legislation, economic organisations, or other means. This includes providing a living wage, a reasonable standard of living, leisure time, and social and cultural opportunities. Different forms of social insurance, maternity benefits, pensions, gratuities, disability benefits, etc. are covered by Social Security plans.

Social security covers a vast range of workers, both organised and unorganised. It covers, but is not restricted to, the following ideas:

- Medical treatment is covered by the Workmen's Compensation Act of 1923 and the Employees State Insurance Act of 1948 through health insurance, illness benefits, and job injury benefits.
- Benefits under the National Social Assistance Programme and National Pension Scheme are available to older adults.
- Benefits of Maternity Prenatal and postnatal care, as well as hospitalisation, if necessary, are mandated by the Maternity Benefit Act of 1961. Six months of paid maternity leave are required, with the option to take an additional month off without pay if needed. A fixed recurring payment is also required. Pregnant women can easily continue working thanks to work-from-home options and amenities.
- Family benefits are offered, such as health insurance, a gratuity in the event that a breadwinner in the family passes away, and accommodations for the surviving spouses and children.
- Survivor's benefit: This term describes the benefits provided to the impacted family in the form of regular payments after the breadwinner passes away. These benefits are given for the duration of the contingency.

SOCIAL SECURITY AND LEGISLATIVE PROTECTION

Social security refers to "any government system that provides monetary assistance to people with an inadequate or no income."¹

The term "social security" implies that there must be safety in the community in the event of emergencies. Every person encounters social issues and hazards throughout their lifetime because of the possibility of illness, accident, unemployment, handicap, childbirth, and old age. Social security is a guarantee against specific dangers that members of society may be exposed to, given by the state through its institutions. Human dignity and social fairness are the cornerstones of the social security concept.

Two elements are implied by social justice:

1. a fair distribution of earnings and other advantages.
2. shielding employees from detrimental impacts on their morality, safety, and health.

The fundamental tenet of social security policies is that citizens who have made contributions to their nation's welfare or who are expected to do so ought to be shielded from certain risks. S. 78(2) Social Security: As defined by the SS Code, "Social Security" refers to the protections provided to employees, gig workers, unorganised workers, and platform workers in order to guarantee their access to health care and to provide income security, especially in the event of old age, unemployment, illness, invalidity, work injury, maternity, or the loss of a breadwinner. These protections are provided through programmes and rights granted to them under the SS Code.²

¹ David Bach (9 October 2003). 1001 Financial Words You Need to Know. Oxford University Press, USA. p. 185. ISBN 978-0-19-517050-4

² Section 2(78) Social security code, 2020

"Everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international cooperation and in accordance with the organisation and resources of each State, of the economic, social, and cultural rights indispensable for his dignity and the free development of his personality,"³ reads an article of the Universal Declaration of Human Rights, which enshrines social security.

The consensus among the signatories essentially says that a person should be able to benefit from social welfare, career opportunities, and cultural activities as well as personal growth within their community⁴. Furthermore, social security includes the actions that institutions take to enhance public welfare through aid programmes that ensure everyone has access to enough food, housing, and other resources to support their general health and well-being, especially the most vulnerable populations—children, the elderly, the sick, and the unemployed. Social security services are frequently referred to as social services.

The government has put in place a number of initiatives to integrate the unorganised labour force into society, including as welfare funding, education initiatives, assistance for non-governmental organisations, and laws.

Below is a list of laws pertaining to social security in India:

- 1) **The Workmen's Compensation Act of 1923**—later renamed the Employees Compensation Act of 1923—offers benefits for death, permanent total disability, permanent partial disability, and temporary disability resulting from accidents or occupational diseases that happen while a person is employed. Compensation is given according to the severity of the injuries sustained while on job.
- 2) **The 1948 Employees State Insurance Act** established a fund to cover medical expenses for workers and their families, in addition to providing monetary benefits for pregnancy and illness and monthly payments to workers in companies employing 10 or more people in the event of death or disability.
- 3) **Maternity Benefit Act of 1961**: The Indian Constitution's Article 42 imposes a duty on the state to provide maternity leave and fair and decent working conditions. In order to guarantee social fairness for female workers, this Act was passed. Some of the main benefits of the Act were increased when it was revised in 2017. The modified law offers 26 weeks of paid maternity leave to women working in the organised sector. After Norway and Canada, India currently offers the third-longest maternity leave in the world.
- 4) **The Payment of Gratuity Act of 1972** states that a corporation must pay a gratuity in one lump sum. The Act mandates that employers with ten or more workers give workers who have worked for five years or longer an extra fifteen days' pay apiece.
- 5) **The 2020 Social Security Code The Employees' Provident Funds and Miscellaneous Provision Act of 1952 and the Employees' State Insurance Act of 1948** are two of the nine social security-related legislation that are being replaced by the Code. The Act, which covers workers in both the organised and unorganised sectors and offers retirement benefits, provident funds, life and disability insurance, healthcare, unemployment benefits, paid parental leave, sick pay, and sick leave, was

³ Article 22 the Universal Declaration of Human Rights

⁴ Article 22 the Universal Declaration of Human Rights 4 "Universal Declaration of Human Rights". Plain language version. United Nations. Retrieved 20 April 2012. Art 22. "22 The society in which you live should help you to develop and to make the most of all the advantages (culture, work, social welfare) which are offered to you and to all the men and women in your country."

introduced as a ray of hope for this unregulated industry. The Code attempts to make social security benefits more portable. All workers would be able to create a unique portable number that is connected to their Aadhaar number, enabling them to access social security benefits from wherever in the nation.

The Apprentices Act of 1961, the Workmen's Compensation Act of 1923 (now known as the Employees Compensation Act, 1923), the Employees Provident Fund and Miscellaneous Provisions Act of 1952, the Maternity Benefit Act of 1961, the Payment of Gratuity Act of 1972, and the Employees State Insurance Act of 1948 are a few significant laws that provide benefits to unorganised labour. Recently, the government has increased the benefits that employees are entitled to under these Acts.⁵

The Employee's Provident Fund & Miscellaneous Provisions Act, 1952⁶

Founded in 1952, the Employees' Provident Fund Organisation (EPFO), a department of India's Ministry of Labour and Employment, offers social security and retirement benefits to the nation's workforce. But just about 35 million of India's 400 million labour force are currently covered by statutory social security, which comes in the form of old-age income protection. Of these 35 million, 26 million are members of the Employee Provident Fund Organisation (EPFO), which is made up of employees of State Public Sector Undertakings (PSUs), employees of the private sector, and civil servants. The EPFO provides its members with a range of benefits and schemes, such as the Employee Deposit Linked Insurance Scheme (EDLI), Employee Pension Scheme (EPS), and Employee Provident Fund (EPF). The Indian government has sought to expand EPFO coverage to more workers in the formal sector and has started programmes like the Pradhan Mantri Shram Yogi Maan-Dhan Yojana to improve social security coverage.⁷

Businesses with 20 or more employees are eligible to participate in the Employees' Provident Fund Organization's (EPFO) programmes. When an employee earns up to Rupees 15,000 (US\$220) per month, both the employer and the employee are required to make contributions to the Employees' Provident Fund (EPF) Scheme. Contributions to the Employee Provident Fund (EPF) become optional for employees who make more than this amount. Employer contributions for workers making more than Rupees 15,000 (US\$220) are restricted to the amount owed on the first Rupees 15,000 (US\$220).

The three schemes that make up the Employees' Provident Fund Organisation (EPFO) are

- the Employees' Provident Fund Scheme (1952),
- the Employees' Pension Scheme (1995), and
- the Employees' Deposit Linked Insurance Scheme (1976).

Both the employer (1.67–3.67%) and the employee (10–12%) contribute to the Employees' Provident Fund (EPF) Scheme. However, there is no requirement for employee contributions to the Employee Pension Scheme (EPS), which is supported by the government (1.16 percent) and the employer (8.33 percent). The employer provides the sole funding source (0.5%) for the Employees' Deposit Linked Insurance (EDLI) Scheme.

Four main types of pension plans are available, they are:

1. pension upon superannuation or disability;

⁵ <https://labour.gov.in/sites/default/files/Aboutus.pdf>

⁶ *Ibid*

⁷ <https://eshram.gov.in/social-security-welfare-schemes>

2. pension for children;
3. pension upon death while service; and
4. pension upon orphanage.

In addition, pension funds have been set up expressly for mariners, employees of Assamese tea plantations, workers in coal mines, and civil officers.

Employees covered by the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 receive a UAN from the EPFO⁸. Throughout their work, the UAN is portable and linked to their EPF account. Therefore, when people move jobs, there is no need to transfer the EPF account. Workers might choose to take a full or partial withdrawal from their provident fund. Complete withdrawal is available upon retirement or if the worker satisfies certain bureaucratic conditions, such as having a claim verified by a gazetted officer, and has been unemployed for more than two months. However, the employee is not allowed to withdraw their entire EPF if they change jobs and do not lose their work for longer than two months. Subject to certain requirements, such as the length of their service, a partial withdrawal of the EPF is permitted for certain purposes, such as medical emergency, education, marriage, home loan repayment, property purchase, or house construction.⁹

Relevance

The law is applicable to:

- Businesses with at least 20 employees;
- Employees who get salary and benefits below Rs. 6500 are eligible to join the fund.

Main Compliance

In order to comply,

- an employee must provide a written declaration stating their account number, membership status, and information about their previous job.
- The major employer bears the responsibility of guaranteeing that contractors adhere to the regulations set forth in this act.

The Employees' State Insurance Act, 1948¹⁰

Although India has a national healthcare system, not all citizens are eligible for free medical care. But for workers in factories and other companies employing ten or more people, the 1948 introduction of the Employees' State Insurance (ESI) Act created a fund to offer medical care, monetary benefits during illness and pregnancy, and monthly payments in case of death or disablement. Over 120,000 industrial and commercial establishments were covered by the ESI plan, which had over 130 million beneficiaries as of March 31, 2019.

Hotels, retail stores, movie theatres, preview theatres, restaurants, newspaper establishments and road-motor transport projects are now included in the ESI plan. The programme also covers private educational and medical facilities with ten or more staff, but only in specific states and union territories.¹¹

⁸ <https://www.tribuneindia.com/news/archive/business/epfo-makes-uan-must-for-all-employers-under-itspurview-97447>

⁹ <https://www.india-briefing.com/news/introduction-social-security-system-india-6014.html/>

¹⁰ <https://labour.gov.in/sites/default/files/Aboutus.pdf>

¹¹ Taxmann's new labour law and industrial laws

In the event of accidents connected to employment, employees and their family are covered by the ESI system. This social security system is available to workers in specific categories making up to INR 21,000 (or INR 25,000 for disabled workers) every month. Employer contributions to the Employee's Provident Fund (ESI) total 4.7 percent; employee contributions are 0.75 percent of salary and employer contributions are 3.75 percent. These rates, which were previously 1.75 percent and 4.75 percent, respectively, went into effect on July 1, 2019. Within 15 days of the act's application, entities may submit an application for ESI registration. The Employees' State Insurance (Central) Amendment Rules, 2017, which were notified on January 20, 2017, brought new maternity benefits for insured women.

Employees who are covered by ESI are entitled to a sickness benefit equal to 70% of their average daily income in the event of a sickness. Up to 91 days may be claimed for this benefit during two consecutive benefit periods.

Applicability

- Businesses with 20 or more employees are subject to the Employees' State Insurance Corporation (ESIC), and
- employees making up to Rs 10,500 are eligible to join.
- The contribution is 6.5% of Basic + DA, with 1.75% taken out of the employee's pay on Basic + DA and the employer contributing the remaining 4.75%. The monthly Challan is due by the 21st of the following month.
- A 6A half-yearly return needs to be filed every six months.
- Within 48 hours of a potentially fatal accident occurring, the company is required to notify both the Factory Inspector and the ESIC inspector. If this isn't done, the business might be charged with murder or other serious crimes.

The Maternity Benefit Act, 1961¹²

The Maternity Benefit Act of 1961 in India has been amended by the Maternity Benefit (Amendment) Act, 2017. The primary advantage of the modified law is that it extends paid maternity leave for the first two children from 12 weeks to 26 weeks for women working in the organised sector. The third kid is still entitled to 12 weeks of leave. After Canada and Norway, this puts India in third place in the world for maternity leave rights.

The Act also gives commissioning mothers who choose surrogacy and mothers who adopt a child under three months old access to a 12-week maternity leave entitlement. The 12-week timeframe will be determined starting on the day the child is given to the commissioning mother or adopted mother in both situations.

The law also requires any business with more than 50 employees to have a childcare facility nearby that working mothers can visit up to four times a day in order to support them. This clause will become operative on July 1, 2017.¹³

If both parties reach an agreement, a clause of the Maternity Benefit (Amendment) Act of 2017 permits women to bargain with their employers for work-from-home choices after their maternity leave. Employers were required to provide maternity benefits to female employees at the amount of their average

¹² <https://labour.gov.in/sites/default/files/Aboutus.pdf>

¹³ "Labour Ministry to frame rules on creche soon - Times of India". The Times of India. Archived from the original on 23 March 2018. Retrieved 20 July 2017

daily income during their leave from work under the former Maternity Benefit Act of 1961. Female employees were eligible to a medical incentive of INR 3,500 (US\$47.85) in addition to their 12 weeks of pay.

In the event of a miscarriage or medically assisted pregnancy termination, female employees were entitled to six weeks of paid maternity leave under the 1961 Act. Workers were also entitled to an additional month of paid leave in the event that they underwent a tubectomy (which required two weeks in the latter case), a medical termination, an early birth, a miscarriage, or any combination of these events. Furthermore, the 1961 Act forbade employers from assigning physically demanding or prolonged standing activities to female employees, as these tasks could have an adverse effect on the health or development of the baby during pregnancy.

Applicability

The Maternity Benefit Act covers the following sorts of establishments:

- all types, including government agencies, equestrian or acrobatic shows, mines, industries, and plantations; and
- where ten or more employees are or were employed within the last twelve months.
- The Act states that labourers are not allowed to return to work for six weeks after giving birth or experiencing a miscarriage. Furthermore, labourers are prohibited from undertaking any duties that:
 - need extended standing for a month prior to the anticipated delivery date; or
 - are physically taxing.

This is to avoid duties that could negatively impact their well-being or induce miscarriage, or that could interfere with their pregnancy, the growth of the foetus, or their general health.

Maternity benefits must be paid at the rate of average daily wages for the duration of the actual absence, as required by the Maternity Benefit Act. The employee's earnings from the three calendar months before to the date of her anticipated birth are used to compute her average daily wage.¹⁴

The workers must have put in at least 80 days of work in the 12 months prior to the anticipated delivery date in order to qualify for maternity benefits. The maximum amount of time that can be spent on maternity leave is 12 weeks, with no more than 6 weeks of that time spent ahead of the anticipated delivery date.

The Maternity Benefit Act states that an employee has the right to a six-week leave of absence starting on the day of the miscarriage or medically assisted pregnancy termination. Should the employee need a tubectomy, she is entitled to a two-week leave of absence starting on the day she found out she was pregnant.

The Maternity Benefit Act stipulates that a woman who gives birth and then resumes her job is entitled to two breastfeeding breaks each day until the kid turns fifteen months old. The purpose of these nursing breaks is to allow the mother to nurse her child.

The Payment of Gratuity Act, 1972¹⁵

A gratuity is a one-time payment that an employer gives to a worker. The employer is still required to give the gratuity to the employee's nominee or legal heir in the event of the employee's death or disability. On the other hand, the employer is free to decline a gratuity if an employee is fired for bad performance. If

¹⁴ Dr Avatar Singh & Harpreet Kaur introduction To Labour and Industrial Laws, 4th edition

¹⁵ <https://labour.gov.in/sites/default/files/Aboutus.pdf>

this happens, the allegations and the employee's wrongdoing must be made explicit in the termination order.

Applicability

The Gratuity Act is applied to

- industries and businesses that employ ten or more people, and
- it stays in effect even if the workforce shrinks below that threshold.

The amount of the gratuity is determined using the formula below:

Gratuity is equal to Years of Service x (15/26) x Last Drawn Salary.

In this case, 15 working days out of a month's total of 26 days is represented by the ratio of 15/26. The total of the Dearness Allowance and Basic Salary is the Last Drawn Salary. Years of Service are calculated by rounding to the closest whole year. For example, the computation will be based on 11 years of service if the person has worked for 10 years, 10 months, and 25 days.

When the Act takes effect, the employer must inform the regulating authorities. According to the Act, a gratuity must be given to an employee who has worked five years straight; if the employee passes away, the amount shall go to their children. Based on the type of job, years of service, and the most recent wage, the gratuity amount is determined.¹⁶ Payment must be submitted within 30 days of the form's due date, with a maximum amount payable of Rs. 350,000.

Workmen's Compensation Act, of 1923¹⁷

Often referred to as the **Employee's Compensation Act of 1923**¹⁸, this law mandates that employers pay workers' families when an employee has an injury at work that leaves them disabled or dead. Workers who are exposed to particular occupational ailments are also covered by this act. An occupational disease is regarded as an accident that happened while the employee was employed, and the company is obligated to pay benefits.

A list of injuries leading to permanent whole and partial disablement is provided in Schedule I of the Employees Compensation Act, while portions A, B, and C of Schedule III identify occupational disorders. A 2017 amendment to the Act requires employers to advise their staff members of their legal claims for reimbursement. This notification must be sent to the employee online or in writing, and it must be in a language that they can comprehend. An employer faces fines ranging from INR 50,000 (US\$657) to INR 100,000 (US\$1,314) if they neglect to send this notice.

The calculation of compensation depends on the type of occupational disability:

- permanent total disability: If an employee's on-the-job injury results in permanent total disability, meaning they are unable to perform any of their prior responsibilities, they are entitled to benefits. The minimum compensation in this instance is INR 140,000 (US\$1,840), which is equal to 60% of their monthly salary multiplied by an earnings-propensity factor. The age of the injured worker may have an impact on the actual compensation amount.
- Employees who suffer a persistent impairment that limits their capacity to work, however, are compensated under permanent partial disability. The extent of the damage and how it affects the

¹⁶ <https://www.india-briefing.com/news/introduction-social-security-system-india-6014.html/>

¹⁷ <https://labour.gov.in/sites/default/files/Aboutus.pdf>

¹⁸ *Ibid*

worker's capacity to make a living are what dictate how much compensation is awarded. The goal of workers' compensation payments, which differ by jurisdiction and have unique rules and restrictions, is to provide employees who have been hurt at work with financial support while they heal.¹⁹

- Temporary disability is a type of benefits given to workers who are unable to work as a result of a sickness or injury that is anticipated to be transient. This kind of disability benefits continues until the worker is able to resume employment and pays a portion of their pre-injury earnings.
- Death: The surviving dependents of an employee are entitled to benefits in the event of their death. Either a fixed payment of INR 120,000 (US\$1,578) or half of the employee's monthly wage multiplied by a formula based on their anticipated earnings in the future would be awarded as compensation.²⁰

ISSUES AND CHALLENGES

The labour regulations mentioned above are quite relevant, and the development of the social security concept has undoubtedly improved the lot of self-employed individuals and organised and unorganised labourers in India. However, there are still a lot of problems and difficulties with these laws and policies' implementation in India. Some of them include:

- **Insufficient budgetary allocation:** The National Security Fund was established for unorganised labourers with a very little initial budget of Rs. 1000 crore, much less than what was anticipated.
- **Ineffective use and administration of funds:** The funds allotted under the schemes have not been used in an effective or efficient manner. The National Society Fund has accumulated 1927 crore since its founding, but this money has not been used, according to the CAG assessment.
- **Informal employment sector:** Roughly 91% of Indian workers are employed in this sector, which frequently offers no benefits for job security, no enforcement of labour regulations, and no access to official social security schemes.
- **Concentration of power with the Central Government:** Under the Code on Social Security, the Central Government is granted broad authority to create social security programmes through the National Social Protection Board. However, since labour law is a state matter, this authority may conflict with the goals of the Act.
- **Technology and the digital divide:** The majority of social security programmes are moving their registration and benefit dispensing processes online. Unfortunately, a sizable portion of these labourers live in rural areas or are illiterate, which prevents them from accessing technology and the internet and creates a digital divide that limits their participation.

CHANGES EXPECTED UNDER THE CODE ON SOCIAL SECURITY, 2020

A proposed set of legislation in India called the Code on Social Security, 2020 aims to supersede a number of current social security statutes. If approved, it is anticipated that the nation's social security system would undergo major modifications. Major modifications under this code that are anticipated to be implemented include:

¹⁹ Aswathappa.k, Human Resource and Personnel Management, Tata Mc Graw Hill, 1999, New Delhi.

²⁰ *Ibid*

1. Universalization of social security benefits: The code intends to offer social security benefits to all workers, including independent contractors, self-employed people, and those employed in the unorganised sector.
2. legislation pertaining to social security: By combining all of India's social security legislation under one roof, the code aims to streamline and unify them.
3. Social security benefits portability: One goal of the code is to make social security benefits portable, so that employees can continue to receive them even if they relocate across the nation.
4. Raising the minimum pay: The code suggests raising the minimum salary for employees in order to guarantee that they receive a fair and acceptable compensation.
5. Creation of a Social Security Fund: The goal of the code is to create a Social Security Fund that will be used to pay for employee benefits and social security programmes.
6. The introduction of a national database is the goal of the code: This would aid in the identification and registration of unorganised workers and enable the payment of social security payments to them.

The social security system in India is anticipated to be significantly impacted by these improvements, which will also enhance the lives of millions of workers nationwide.

SUGGESTIONS AND RECOMMENDATIONS

Although social security provisions play a significant role in India's labour laws, their successful implementation faces a number of obstacles. To guarantee that the program's benefits reach the intended recipients, the government must solve these problems. These can be achieved by stepping up awareness campaigns, strengthening government support and funding for vulnerable workers, cutting costs and streamlining administrative processes, creating universal social security by combining all of the government's current social security programmes, and offering social security to all workers. Employers should demand required social security for their staff members since this would promote accountability and formalisation in the employer-employee relationship. The implementation of a national labour force card is expected to streamline the registration procedure and broaden the reach of social security benefits beyond the construction and gig worker industries. Indians can build a more just and inclusive society where people can live dignified lives by addressing these issues and taking the required action.

This research report suggests various strategies to enhance the efficacy of social security policies for labour in India, based on its findings. Among these are the following:

1. One of these initiatives is to extend social security coverage to all workers, including those employed in the unorganised sector.
2. Increasing employees' knowledge of their rights and how to obtain them.
3. Making it easier to obtain social security benefits by lowering the amount of paperwork needed and giving employees additional support.
4. Extending the scope of social security programmes to cover a greater variety of risks, including benefits for pregnancy and disability.
5. Tightening up the application of social security legislation to guarantee

CONCLUSION

The Father of the Nation, Mahatma Gandhi, once said, "Obedience to the law of bread labour will bring about a silent revolution in the structure of society." Since labourers play a vital role in society, it has long been important to give them a safe and respectable place to work. The framers of our Constitution included this as a command for the state to consider in the future, and the government has moved to formally enact this directive through a number of measures. The government's social security programmes and the legislation passed by Parliament are essential in guaranteeing that individuals' basic necessities are satisfied and that they can live honourable, fair, and just lives. Undoubtedly, there are significant obstacles to the successful execution of these programmes, and these obstacles must be addressed in order to offer advantages to the final tier of the targeted recipients. The administration is dedicated to resolving these problems and making sure that all national residents have access to social security benefits.

The social security system in India is composed of various plans and programmes, each governed by an own set of rules and legislation. It should be mentioned that only a small percentage of the Indian population is covered by the government-controlled social security system. The researcher has only been able to look at a few of these programmes because of resource limitations.

The first hypothesis held that India's social security standards fell short of international norms; however, the researcher discovered that India's standards were at least on par with those of China, another country that relies heavily on labour; despite this finding, the hypothesis is only partially supported because the researcher was unable to compare India's social security standards with those of other countries. The second hypothesis was that workers were unaware of their rights under social security; observational research revealed that approximately 40% of illiterate and daily wage workers were unaware of the government schemes, and those who did know had misconceptions about them and didn't know where to turn for assistance. The third theory put out the idea that employees were not aware of their legal rights or the existence of labour tribunals, conciliation officials, or trade unions. There was just one court and one police station that the employees knew about for all of their legal needs. Furthermore, because of financial limitations and the belief that they would not receive justice, even if they were aware of these courts and police stations, many chose not to contact them. This made it simpler to take advantage of uneducated labourers for financial gain.

The social security scheme in India provides coverage for a number of social insurance products, such as

- health insurance,
- pensions,
- disability benefits,
- maternity benefits, and
- gratuities.

Those working in the unorganised sector, however, might not be able to obtain the coverage. The required contributions for social insurances differ according to the kind of plan and the size of the business. For example, employers who employ twenty or more people must contribute to the Employees' Provident Fund in order to help the employee save for retirement, and employers who employ ten or more people must contribute to the Employees' State Insurance plan in order to help the employee receive medical benefits and health insurance. All things considered, the goal of India's social security system is to guarantee that its people, especially those in the organised sector, have access to essential benefits both during and after their working years.