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SOCIAL SECURITY OF WORKMEN IN INDIA

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ABSTRACT:

Social security for workmen in India is a fundamental aspect of ensuring the well-being and dignity of the workforce. It refers to the protection provided to workers against various risks such as illness, injury, unemployment, old age, and other social and economic hardships. India's labour market is unique due to its large informal sector, where many workers lack formal contracts and social protection, making the extension of social security a complex challenge. Over the years, the government has introduced several laws and schemes aimed at safeguarding workers' interests, including provident funds, insurance coverage, compensation for workplace injuries, and maternity benefits. The recent enactment of the Code on Social Security, 2020, represents a significant step toward consolidating multiple labour laws into a single framework, with the goal of improving coverage and simplifying access to benefits. This new code also attempts to include workers from the unorganized sector and the growing gig economy, who were previously outside the scope of many social security measures. Despite these advances, many workers still face difficulties in accessing social security due to lack of awareness, administrative hurdles, and limited outreach, especially in rural and informal settings. To build a more inclusive and effective social security system, it is crucial to strengthen implementation mechanisms, increase awareness among workers, and ensure better coordination between government agencies and employers. Ultimately, a robust social security framework not only protects individual workers but also contributes to social stability and economic growth by reducing vulnerability and promoting a healthier, more productive workforce.

KEYWORDS : Social Security, Workmen, Labour

I. INTRODUCTION

A. BACKGROUND

Social security plays a vital role in protecting the lives and livelihoods of workers, especially in a diverse and densely populated country like India. For millions of workmen, social security is not just a financial support system — it is a safeguard that offers peace of mind against uncertainties such as illness, workplace injuries, unemployment, old age, and other hardships that life may bring. It ensures that workers and their families are not left helpless in times of need and can maintain a decent standard of living, even during difficult periods.

In India, the idea of social security for workmen has been shaped by the country's historical, social, and economic realities. From the early days after independence, the government recognized the need to protect its labour force and gradually built a framework of laws and schemes aimed at providing various forms of social protection. Laws like the Employees' State Insurance Act, 1948, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, were among the first steps taken to give legal backing to these protections. Yet, even today, a large portion of India's workforce remains outside the formal security net, particularly those working in unorganized sectors like agriculture, construction, and small-scale industries. Many of these workers face uncertain incomes, unsafe working conditions, and limited access to healthcare and retirement benefits. Although several policies and programs have been introduced over the

years, reaching these workers and ensuring their welfare remains a complex challenge.

This research paper aims to explore the social security system for workmen in India in detail — tracing its development, examining the protections currently in place, and identifying where the system still falls short. It also seeks to understand the real-life experiences of workers and suggest ways to strengthen and expand social security coverage so that it becomes more inclusive, fair, and effective for all.

B. **Objectives of the Study:**

This research paper aims to explore the role and significance of social security systems available to workmen in India. It intends to bridge the gap between what is guaranteed by law and what is experienced by workers in real-life situations. The specific objectives are outlined as follows:

1. **To understand the concept of social security and its importance for workmen** within the framework of India's socio-economic conditions.

2. **To review and analyze the current laws, policies, and schemes** related to social security for workmen in the country.

3. **To identify the challenges, gaps, and difficulties** in the actual implementation and reach of these welfare measures, especially for informal sector workers.

4. **To evaluate the impact of existing social security schemes** on the working population's health, financial stability, retirement security, and workplace well-being.

5. **To propose actionable suggestions and recommendations** aimed at improving, expanding, and strengthening social security benefits for all categories of workmen in India.

C. **Scope of the Study:**

The scope of this study is confined to examining the social security measures available to workmen across various sectors in India, with a particular emphasis on both formal and informal sectors. It includes the study of legislative measures, government schemes, and other welfare initiatives introduced for labor welfare and protection.

The areas covered by this research include:

- A discussion on the idea of social security, its necessity, and its role in safeguarding the interests of workmen in the Indian context.
- A detailed study of existing laws, acts, and welfare schemes meant for the benefit of India's working class.
- An analysis of the practical conditions faced by laborers, particularly in unorganized sectors, where formal protections are either inadequate or absent.
- A review of recent government efforts and policy updates aimed at strengthening the country's social security framework.
- Recommendations based on identified shortcomings and challenges, focusing on ways to make the social security system more accessible, inclusive, and efficient.

This study limits itself to the social security aspects of workmen, excluding professionals in high-income, corporate, or specialized white-collar jobs, to maintain focus on the more vulnerable sections of the workforce.

D. Methodology

The research is doctrinal and analytical in nature. It uses:

1. Primary sources: legislation, constitutional provisions, case law, and government notifications.

2. Secondary sources: commentaries, journal articles, policy reports (e.g., ILO, NCEUS), and official websites like PRS India and Ministry of Labour.

3. A comparative lens is occasionally used to examine best practices from other countries.

4. A critical approach is adopted to evaluate gaps between law and practice.

II. LEGAL FRAMEWORK

A. History of Social Security of Workmen in India:

The concept of social security in India has deep roots in the country's socio-economic history and has gradually evolved through various phases, influenced by both indigenous traditions and international labor standards. The protection of workers against life's uncertainties has long been a subject of concern, especially in a country like India, where a significant section of the population depends on labor for its livelihood.

Pre-Independence Period

During the British colonial period, labor welfare in India was largely neglected. Industrialization was driven by colonial interests, and workmen were often subjected to poor working conditions, low wages, and lack of safety measures. Social security as a structured concept was virtually absent, though a few welfare measures began to appear due to pressures from Indian social reformers, labor movements, and international organizations.

A landmark moment came with the establishment of the **Royal Commission on Labour in India (1929-31)**, which highlighted the poor working and living conditions of laborers and stressed the need for labor welfare and social security. Following this, the colonial government enacted a few laws, such as:

- **Workmen's Compensation Act, 1923** — to provide compensation to workers for injury, disability, or death arising out of industrial accidents.
- **Indian Factories Act, 1934** — to regulate working hours, conditions, and safety in factories.
- **Payment of Wages Act, 1936** — ensuring timely payment of wages without unlawful deductions.

While these were modest beginnings, they laid the foundation for a formal labor protection system in India.

Post-Independence Development

After gaining independence in 1947, India began to shape its labor and social security policies with a vision for a welfare state. The **Constitution of India, adopted in 1950**, provided a strong moral and legal basis for social security through its **Directive Principles of State Policy**, particularly **Articles 39, 41, 42, and 43**, which direct the State to provide assistance in cases of unemployment, old age, sickness, and disablement, and to ensure just and humane working conditions.

Several important social security legislations were introduced in the early years of the Republic:

- **Employees' State Insurance Act, 1948** — providing health insurance and medical benefits to industrial workers.
- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952** — establishing a fund to ensure financial security for employees after retirement.
- **Maternity Benefit Act, 1961** — securing maternity benefits and job protection for women workers.
- **Payment of Gratuity Act, 1972** — providing a lump sum payment to employees as gratitude for their long-term service.

These acts marked a significant step forward in formalizing social security protections for workmen in the organized sector.

B. Contribution of Indian Labour-Related Legislative Acts to the Social Security of Workmen in India:

Labour-related legislative acts in India play a crucial role in providing social security to workmen by safeguarding their rights, ensuring workplace safety, and protecting them against various socio-economic risks. These legislations form the backbone of India's labor welfare system, laying down standards and procedures for employment conditions, financial benefits, health care, and retirement security. Their contribution can be understood by categorizing

them according to the areas of social security they cover.

C. **Health and Medical Security**

Acts such as the **Employees' State Insurance Act, 1948** provide comprehensive health coverage to workmen and their families. It includes medical benefits, sickness benefits, maternity benefits, and disability benefits in case of work-related injuries or illnesses. Under this Act, insured workers can access hospitals, dispensaries, and other medical services without bearing the financial burden themselves.

D. **Financial and Retirement Security**

Several labor laws contribute to the financial security of workmen during their employment and after retirement:

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952** ensures that both employers and employees contribute a part of wages into a provident fund, which the worker can access upon retirement or in case of disability.
- **Payment of Gratuity Act, 1972** provides a lump sum payment to employees as a reward for long-term service upon retirement, resignation, or death.
- **Atal Pension Yojana (2015)** and **Pradhan Mantri Shram Yogi Maandhan Yojana (2019)** are government-backed pension schemes targeted especially at unorganized sector workers, offering financial protection in old age.

E. **Employment Injury and Disability Protection**

The **Workmen's Compensation Act, 1923** (now merged under the **Employees' Compensation Act, 1923**) provides compensation to workers or their dependents in cases of injury, disability, or death caused by workplace accidents. This ensures that affected families are not left without financial support due to work-related risks.

F. **Maternity and Gender Protection**

The **Maternity Benefit Act, 1961** ensures job security and financial support for women workers during maternity leave. It provides paid leave, maternity bonuses, and protection against dismissal during maternity periods, promoting gender equality and dignity at work.

G. **Wage and Employment Security**

Acts like the:

- **Minimum Wages Act, 1948**
- **Payment of Wages Act, 1936**
- **Equal Remuneration Act, 1976**

ensure that workmen receive fair, timely, and adequate wages without any form of discrimination. These laws protect workers from exploitation and help them maintain a reasonable standard of living.

H. **Welfare and Social Assistance**

The **Unorganised Workers' Social Security Act, 2008** marked a significant step towards extending social security benefits to informal workers. It introduced welfare schemes related to health insurance, life insurance, and pension benefits, aiming to address the vulnerabilities of workers in the unorganized sector.

I. **Consolidation through the Code on Social Security, 2020**

The recently enacted **Code on Social Security, 2020** consolidates nine existing labor laws related to social security. It broadens the definition of 'employee' to include gig workers, platform workers, and other informal workers. The Code aims to simplify compliance, improve benefit delivery, and promote universal coverage of social security benefits.

III. **Types of Social Security for Workmen in India:**

In India, social security plays a crucial role in protecting workmen against life's uncertainties, particularly those related to health, income, and employment. Various laws and schemes have been put in place over the years to offer different kinds of financial and welfare support to the country's vast workforce. Here's a closer

look at the different types of social security benefits available to workmen:

A. **Health and Medical Care:**

Medical care is one of the most essential benefits for workers, especially those employed in physically demanding or hazardous jobs. The **Employees' State Insurance (ESI) Act, 1948** provides medical services to insured workers and their families. It covers a wide range of services such as outpatient and inpatient treatment, maternity care, and compensation for illnesses or injuries related to work. Beneficiaries can access ESI hospitals and clinics, often at minimal or no cost.

B. **Protection Against Workplace Injuries:**

Many industries involve jobs that expose workmen to accidents and health risks. The **Employees' Compensation Act, 1923** and the **ESI Act** ensure that workers who suffer injuries or illnesses while on the job receive timely financial support. These laws provide benefits such as:

- Compensation for temporary or permanent disabilities.
- Medical care for the injured.
- Financial assistance to the family in case of death caused by a workplace accident.

C. **Maternity Benefits**

To support women workers during pregnancy and childbirth, the **Maternity Benefit Act, 1961** offers several important protections:

- Paid leave for up to 26 weeks (for the first two children).
- Additional leaves in case of illness related to pregnancy or childbirth.
- Job security during maternity leave.
- Facilities like crèches and nursing breaks in certain establishments.

D. **Retirement and Pension Benefits:**

For long-term financial security after retirement, there are several schemes in place:

- **Employees' Provident Fund (EPF)**: A compulsory savings plan where both employer and employee contribute. The accumulated amount is paid out at retirement, resignation, or to the nominee in case of death.
- **Employees' Pension Scheme (EPS)**: Provides monthly pension benefits based on years of service.
- **Gratuity**: Under the **Payment of Gratuity Act, 1972**, workers with at least five years of service receive a lump sum payment when they retire, resign, or in the event of their death or disablement.

E. **Unemployment Support:**

Though India doesn't have a nationwide unemployment insurance program, certain provisions exist to support workers during periods of job loss. The **ESI Act** offers an unemployment allowance under the *Rajiv Gandhi Shramik Kalyan Yojana* for workers who lose their jobs due to factory closure, retrenchment, or permanent disability.

F. **Support for Families and Dependents:**

In the unfortunate event of a worker's death, various benefits are extended to their family members:

- The **ESI Act** provides a monthly pension to dependents.
- The **Employees' Compensation Act** ensures lump sum compensation is paid to the worker's family.
- The **EPF Scheme** allows the nominee to receive the accumulated provident fund balance.
- The **EPS** also continues a family pension to the spouse or dependents.

G. **Additional Welfare Schemes:**

Besides the core social security laws, other welfare programs exist, especially for workers in unorganized sectors:

- **Construction Workers' Welfare Boards**
- **Beedi and Cigar Workers Welfare Funds**
- **Unorganised Workers' Social Security Act, 2008**

- Affordable insurance schemes like the **Pradhan Mantri Suraksha Bima Yojana** and **Pradhan Mantri Jeevan Jyoti Bima Yojana**, offering life and accident insurance to low-income workers.

IV. **Acts Governing Social Security for Workmen in India**

India has developed a structured legal system to safeguard the interests of its working population, especially those engaged in industries and other labor-intensive sectors. Over the years, several laws have been introduced to provide social security benefits to workers, covering aspects like health care, accident protection, retirement income, and maternity support. Let's take a look at some of the major laws that form the backbone of social security for workmen in India.

A. Employees' Compensation Act, 1923:

This is one of the oldest labor laws in India aimed at ensuring financial protection for workers injured while performing their job. Under this law, employers are legally responsible for paying compensation to their employees if they get injured, disabled, or lose their lives due to accidents occurring during the course of employment. The compensation amount depends on the worker's wages and the severity of the injury.

B. Employees' State Insurance (ESI) Act, 1948:

The ESI Act is a significant welfare legislation offering both medical care and cash benefits to insured employees and their families. This includes:

- Free or low-cost medical treatment.
- Financial aid during sickness or maternity.
- Compensation for injuries caused by workplace accidents.
- Dependents' benefits in the event of an employee's death. The scheme applies to establishments with 10 or more workers and is funded by contributions from both employers and employees.

C. Employees' Provident Funds and Miscellaneous Provisions Act, 1952:

This Act focuses on providing financial security after retirement. It requires both the employer and employee to contribute a specific percentage of wages to a provident fund, which accumulates over time. The funds are handed over as a lump sum when the employee retires, resigns, or in case of death. Additional schemes like the **Employees' Pension Scheme (EPS)** and **Employees' Deposit-Linked Insurance Scheme (EDLI)** are also covered under this Act, offering pension benefits and insurance to workers and their dependents.

D. **Maternity Benefit Act, 1961:**

This law ensures the well-being of women employees during pregnancy and after childbirth. It entitles them to:

- Paid maternity leave for up to 26 weeks.
- Additional leave for health complications arising from pregnancy.
- Job security during maternity leave.
- Provisions for nursing breaks and crèche facilities in establishments with a certain number of employees.

E. **Payment of Gratuity Act, 1972:**

Gratuity is a monetary benefit given to employees as a token of appreciation for their long years of service. This law makes it mandatory for employers to pay gratuity to workers who have completed at least five years of continuous service, except in cases of death or permanent disability. It is payable on retirement, resignation, or demise of the employee and applies to establishments with ten or more workers.

F. **Unorganised Workers' Social Security Act, 2008:**

Considering the large number of workers employed in the informal sector, this Act was introduced to provide welfare benefits to them. It covers areas such as:

- Life and disability insurance.
- Health and maternity benefits.
- Old-age pensions. The law also encourages the formation of welfare boards at both central and state levels to manage and deliver these schemes.

G. **The Code on Social Security, 2020:**

As part of recent labor law reforms, this Code combines and simplifies nine existing labor laws related to social security. Its key features include:

- Bringing unorganized workers, gig workers, and platform workers under the social security network.
- Simplifying registration processes and benefit distribution through digital platforms.
- Covering areas like provident funds, pensions, gratuity, maternity benefits, ESI, and employee compensation under one unified code.

V. Recent Developments and Reforms for Social Security in India for Workmen

In the last few years, India has made significant progress in updating its social security system to keep up with the changing nature of employment and the growing needs of its workforce. With millions of people working in informal sectors, gig jobs, and small industries, the government has taken important steps to extend welfare benefits to these groups. Various reforms and schemes have been introduced to ensure financial protection, health coverage, and retirement benefits for all categories of workers.

A. **The Code on Social Security, 2020:**

One of the biggest reforms in recent times is the **Code on Social Security, 2020**. This law combines and simplifies nine existing social security laws into a single framework. It has several important features:

- **Wider Coverage**: The code extends social security benefits to unorganized workers, gig workers, and platform workers, covering those who were earlier left out.
- **Simplified Process**: A digital registration system is proposed to make it easier for workers to register and access social security benefits.
- **Gratuity for Fixed-Term Workers**: Employees working on fixed-term contracts are now entitled to gratuity after one year of service, instead of five years.
- **Welfare Funds for Informal Workers**: The code allows the government to set up special funds at both central and state levels for the welfare of unorganized workers.A

B. Digital Labour Platforms and Portals:

To make labor welfare services more accessible and organized, the government has launched several digital initiatives:

- **e-Shram Portal (2021)**: A national database created to register unorganized sector workers such as daily wage laborers, street vendors, domestic workers, and gig workers. Every registered worker is issued a unique e-Shram card to help them access welfare schemes more easily.
- **Shram Suvidha Portal**: This portal simplifies the process of compliance for businesses and brings transparency in labor management.
- **National Career Service (NCS)**: A government platform offering employment-related services such as job matching, career advice, and training programs.

C. Strengthening Existing Social Security Schemes:

The government has been working to widen the reach of existing welfare schemes and introduce new options for workers in need:

- **Atal Pension Yojana (APY)**: A retirement savings scheme for unorganized sector workers, ensuring a fixed monthly pension after the age of 60.
- **Pradhan Mantri Shram Yogi Maandhan Yojana (PM-SYM)**: A pension plan for low-

income workers earning below ₹15,000 a month, providing them with ₹3,000 per month after retirement.

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY)** and **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**: Affordable insurance schemes offering accidental and life cover to informal workers and the economically weaker sections.

D. Benefits for Gig and Platform Workers:

With the rapid rise of the gig economy — including app-based delivery agents, cab drivers, and freelancers — the government has started addressing their needs too:

- The **Social Security Code, 2020** recommends the creation of welfare schemes for gig and platform workers, covering areas like health insurance, life cover, maternity benefits, old-age support, and accident protection.
- It also proposes that aggregator companies (like app-based food delivery and taxi services) contribute a share of their revenue to a fund dedicated to these workers.

VI. Challenges for implementation:

While India has made progress in creating social security schemes for workmen, several challenges still hinder their effectiveness. A major issue is the vast number of workers in the unorganized sector, who often don't have formal contracts, making it difficult to track and provide benefits to them. Many workers, particularly in rural areas, are also unaware of the

social security benefits available to them, preventing them from accessing vital support. Though recent reforms like the **Code on Social Security, 2020** aim to include gig and platform workers, actual implementation is still in its infancy, leaving many workers in the gig economy without the necessary protections. On top of that, delays in implementing new labor laws, lack of internet access, and low digital literacy in some areas are additional barriers. Weak enforcement and inconsistent compliance by employers, especially in smaller businesses, further complicate the situation. Financial constraints also limit the resources available for these schemes, making it hard to create long-term, sustainable welfare programs for informal workers. Overall, there's a significant gap between the policies in place and their on-the-ground impact, making it crucial to address these challenges to ensure social security reaches everyone in need.

VII. Suggestions:

To address the challenges faced by India's social security system, several steps must be taken. First, expanding awareness through targeted outreach programs, especially in rural and remote areas, is crucial so that workers understand the benefits available to them and how to access them. Simplifying registration processes and offering more user-friendly digital platforms could help workers, including those in the gig economy, easily enroll in social security schemes. Additionally, the government needs to strengthen enforcement mechanisms to ensure that employers comply with labor laws, with a focus on small and informal businesses that often neglect their obligations. Financial investments must be increased to create sustainable welfare programs, ensuring that benefits are both accessible and long-lasting. Lastly, improving digital literacy, along with better internet access in rural areas, would empower workers to take full advantage of the digital initiatives like the **e-Shram Portal** and other online platforms. By addressing these key areas, India can make its social security system more inclusive and effective for all workers, regardless of their employment type.

VIII. Conclusion:

India has made significant strides in expanding social security for workmen, with numerous reforms aimed at protecting workers' rights and welfare, particularly in the unorganized sector and among gig economy workers. However, the journey is far from complete, as challenges like limited awareness, slow implementation, and digital barriers continue to restrict the reach of these schemes. To truly benefit the millions of workers who need support, it is essential for the

government to focus on effective enforcement, strengthen digital access, and ensure that social security programs are sustainable and inclusive. By addressing these challenges head-on, India can build a more robust and equitable social security system that meets the needs of all its workers, offering them a safety net in times of need and supporting their long-term well-being.

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