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SOCIAL SECURITY OF LABOUR: MEASURES AND CHALLENGES

By T Sidharth

Abstract

The article focuses on the social security issues faced by workers. It gives information about the problems faced by the labourers and employees, social security measures implemented in India, important acts passed in India, Central Government programs and schemes, State Government programs that mention the social security programs of the Kerala, Karnataka and Maharashtra governments, social security measures taken by the United Kingdom and United States, and landmark judgements on social security of labour.

Key words

Social security, labourers, employees, employers, government measures

Introduction

Social security of labour refers to the protection that society provides to individuals, such as income security, health care etc. In a state, it is the duty of the government to ensure the social security benefits of the citizens. In an industry, it is necessary to safeguard the interests of labourers, and it shall be done by the employers and the government. Labourers are the nation's economic growth engine. They were faced with many hazards from the management, such as low wages, long hours of work, no bonus, no provident funds, etc. These problems will make the labourers mentally weaker and affect the production activities in a negative way. So, it is required to satisfy the needs of labourers, which enhances the economy.

The International Labour Organization (ILO) defines social security as *“the security that society furnishes through appropriate organisation against certain risks to which its members are perennially exposed. These are essentially contingencies against which a person with limited resources cannot effectively protect himself through his own ability or foresight alone, or even in private collaboration with his peers. The mechanics of social security therefore consist in counteracting the blind injustice of nature and*

economic activities by rationally planning justice with a touch of benevolence to temper it.”

The term ‘social security’ means that there are some threats that can affect people's lives and needs to be protected from such threats. An individual will not be able to live in a society without social security. It is something that an individual cannot acquire by himself. For example, a person working for a company cannot acquire his salary by himself. The management has to pay him, and he have to wait. If the management didn't pay his salary, there is a question of social security. Here, the ways to secure wages are through government interventions, demonstrations, enacting new laws for social security, etc. Labourers are the ones who lack social security in many circumstances. Some of them are afraid to ask for the benefits from management in fear of losing their job. The emergence of trade unions is a result of social security issues. So, in order to have economic prosperity in a nation, the goal of social security has to be achieved.

Problems Faced by the Labourers and Employees

The labourers are faced with certain issues such as income insecurity, long hours of work, not providing medical care and health services, women's insecurity in the workplace, an unsafe working environment, job pressure from employers, etc.

The COVID-19 pandemic is a prime example of looming social security issues. Many people lost their jobs during this period, and many others worked under extreme stress. Unemployment rate began to increase all over the world. The employers found it difficult to provide benefits to the workers because of the loss in business that had arisen from the pandemic. The failure to provide social security has led to an increase in suicide rates. The suicide rates of health workers increased during the pandemic. One of the reasons is the long working hours, which created mental distress in workers. The hospital authorities are not providing additional salaries for the extra hours of employment by the workers.

Women workers face the most workplace insecurity. They are the victims of harassment from employers and employees. They also face pregnancy discrimination. The women were unfairly treated by the management due to pregnancy, childbirth, or a medical condition. It involves social isolation, stereotyping, a lack of development opportunities, and a reduction in pay. Some women during the pregnancy period were not given maternity benefits from the management. The employers force pregnant women to work or else, leading to job dismissal. In some industries, women were paid less than men even though they both performed the same amount of labour.

Labourers are faced with an unsafe working environment. The management fails to provide the necessary arrangements that have to be made for workers. For example, employers at a construction site are supposed to provide protective gear, which includes gloves, safety goggles, knee pads, hard hats, earmuffs, etc., and also teach workers when to use it. There are cases in which employers pressurise workers to get a job done. Such pressures may cause mental stress in workers. They are not given any type of relaxation, such as medical leave, leave during festivals, etc. These are some of the problems faced by employees all over the world.

Social Security Measures in India

India has adopted and implemented certain social security measures for the welfare of its workers. Certain social security schemes had been implemented by both the central and state governments. These schemes not only deal with insurance or other monetary benefits, but also include rules that employers must follow. Pensions, health insurance, medical benefits, disability benefits, maternity benefits, and gratuities are examples of social insurance. The schemes are targeted towards employees working in the organised and unorganised sectors. With the intention of extending social security to all employees and workers in both organised and unorganised sectors as well as any other sectors, the parliament passed The Code on Social Security 2020, which is a code to update and consolidate the laws relating to social security. It includes the following enactments: The Maternity Benefit Act, 1961, Payment of Gratuity Act, 1972, The Employment Exchanges Act, 1959, The Employees' Compensation Act, 1923, The Building and Other Construction Workers Welfare Cess Act, 1996, The Unorganised Workers' Social Security Act, 2008, The Cine Workers Welfare Fund Act, 1981, The Payment of Gratuity Act, 1972, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Important Social Security Acts in India

1. **The Employees' Compensation Act of 1923:** In circumstances of work-related injuries leading to death or incapacity, it mandates payment of compensation to the worker or his family. Employees can get compensation for accident-related injuries under the Workmen's Compensation Act of 1923. Even casual workers are eligible for compensation under the Workmen's Compensation (Amendment) Act, 2000, which went into force in December 2000. The minimum compensation

for death has increased from Rs. 50,000 to Rs. 80,000, while the minimum compensation for total disability has increased from Rs. 60,000 to Rs. 90,000. The upper limit on the monthly wage/salary that is taken into account for calculating the compensation amount has also been raised from Rs. 2000 to Rs. Additionally, the amount for funeral expenditures that must be paid has increased to Rs. 2500 from Rs. 1000.

2. **Minimum wages Act, 1948:** The most significant piece of legislation passed in favour of unorganised labour is the Minimum Wages Act of 1948. The minimum pay rates for scheduled employment when employees are employed in the unorganised sector were fixed, reviewed, and revived as a result of this legislation.
3. **The Payment of Gratuity Act, 1972:** Employees who have worked for five years or longer in businesses with a minimum of 10 employees are entitled to 15 days of pay for each year of service.
4. **The Employees' State Insurance Act, 1948:** It applies to factories and businesses with ten or more staff members and offers complete medical care to the workers and their families in the form of cash benefits during sickness and maternity as well as regular pay-outs in the event of death or disability.

Central Government Programmes and Schemes

The Ministry of Labour and Employment had formed The Employees' Provident Fund Organization, which aims at providing superannuation pension, widow pension, children's' pension, orphan's' pension family pension in case of death during service. The Employees' Provident Fund Organization oversees three schemes:

1. The Employee Provident Fund (EPF) schemes, which are funded by employers and employees
2. Employee Pension Plans (EPS) are funded by employers and the government
3. Only the employers contribute to the Employee Deposit Linked Insurance (EDLI)

The central government has introduced several employment generation programmes along with social security. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), for example, guarantees rural households assured work for a hundred days. The primary aim is to create the source of livelihood for the economically weaker section. The payment of wages should not be less than Rs 65 per day. The person must

receive unemployment allowance if he/she is not provided with the employment within 15 days of application made by the person. Basic facilities such as drinking water and first aid should be provided at the work site.

National health insurances have been provided by the central government. For Indians working in the unorganised sector, the central government has introduced the Ayushman Bharat Yojana, which is a health insurance scheme that covers 3 days of pre-hospitalisation and 15 days of post-hospitalisation expenses. The Pradhan Mantri Jan Arogya Yojana, the world's largest health insurance scheme, aims at providing a coverage of 5 million rupees per family per year, making it easy for economically vulnerable people to access free medical services even for expensive treatments.

The Pension Fund Regulatory and Development Authority (PFRDA), which was established by an Act of the Indian Parliament, manages and regulates the defined contribution National Pension System (NPS). The decision by the Indian government to discontinue defined benefit pensions for all new hires after January 1, 2004, marked the beginning of the NPS. 10% of the employee's gross salary is paid into the scheme, and the employer also makes a matching contribution. When the employee reaches the legal retirement age, 60% of the remaining balance can be withdrawn as a lump sum, while the remaining 40% must be used to purchase an annuity that will be used to pay a monthly pension. The system aims to reach a target of 50% of the employee's previous salary. All civil servants are now required to use this system, but others may opt out. The employee must contribute at least 6% of his gross salary to the General Provident Fund Scheme, and an 8% return is promised. When the employee retires, he or she can take the lump sum payment.

State Government Programmes and Schemes

All state governments in India had implemented programs and schemes for the labourers' social security. The social security programs and schemes of some states are mentioned below:

1. Kerala

- **Kerala Unorganized Retired Workers Pension Fund Scheme:** The scheme targeted workers who met the definition of workers in the "artisans and skilled workers welfare scheme" of 1991, which provided pensions on attaining the age of 60. The amount is Rs 400.

- **Kerala Agriculture Workers Welfare Pension:** The scheme aims at providing distress relief to the estate workers in Kerala
- **Daily Waged Employees Distress Relief Fund Scheme:** It was introduced during 2007-2008 which aims at providing help to the unorganized daily waged workers.

2. Karnataka

- **Medical assistance to workers:** Minimum of Rs. 1,000/- to maximum of Rs. 10,000/- medical assistance to the beneficiaries.
- **Accident benefit to workers:** Minimum of Rs. 1,000/- to Maximum of Rs. 3,000/- financial benefits given to the beneficiaries.
- **Educational assistance to children of the workers:** Rs 3,000/- for children in high school (8th std to 10th Std), Rs 4000/- for degree courses, Rs 5,000/- for those in post-graduation courses, and Rs 10,000/- for Engineering/Medical students.

3. Maharashtra

- **Janshree Bima Yojana:** If the beneficiary dies of natural causes, the legal heir receives the amount of Rs. 30,000/-. In the event of the beneficiary's accidental death, the legal heir receives Rs. 75,000/-. In case of permanent disability, the beneficiary receives Rs. 75,000/- and in case of partial failure due to an accident, the beneficiary receives Rs. 37,500/-.
- **Maternity benefit:** The registered domestic worker will receive a maternity benefit of Rs. 5000. (Two deliveries maximum)

Social Security Measures Taken by The United Kingdom and The United States

We can briefly look into the social security measures taken by the United Kingdom and the United States

1. United Kingdom

The United Kingdom's government had initiated certain measures for the welfare of workers. The government aims at relieving poverty, income maintenance and replacement, compensation, income redistribution and meeting additional costs. Some employment laws have been enacted, and they are as follows:

- **Employment Rights Act 1996** covers the problems of employees related to dismissal, paternity leave, maternity leave, unfair dismissal and redundancy.

- **Employment Relations Act 1999** which provided a number of rights at work for trade union recognition, de-recognition, and industrial activities.
- **The Equality Act 2010** is an act that prevents discrimination in the workplace and the recruitment process.

2. United States

The US government had enforced nearly 180 labour laws. The social security benefits are funded by the payroll tax on employees and employers. Some of the acts that deal with the social security of labourers are:

- **The Fair Labor Standards Act** ensures a minimum wage for American workers. Since 2009 the employers in public and private industries have to pay at least \$7.25 per hour to the labourers.
- **The Affordable Care Act** ensures health insurance to the workers working in small, medium and large industries.
- **The Social Security Act 1935**, provides retired and disabled Americans with financial aid. Around 65.5 million people received social security benefits, with an average amount of \$1,666 for retirees (family with a retired worker) and \$1,361 for citizens with disabilities (family with a disabled worker).
- **The Whistle-blower Protection Programme** was initiated by OSHA which is a body responsible for protecting employees from losing their jobs due to whistleblowing. Workers can file a complaint with OSHA office within 30 days of the incident.
- **The Lily Ledbetter Fair Pay Act of 2009** strengthened workplace rights and prohibited discrimination on wages against minorities and women.

Landmark Judgements on Social Security of Labour

- **Bandhua Mukti Morcha v. Union of India¹**: The Supreme Court gave a significant ruling on bonded labour. In this case, the Supreme Court expanded its protective sphere to cover issues like identification, release and rehabilitation. It was decided that the government should welcome any action brought before the court through public interest litigation that alleges the existence of bonded labour

¹ Bandhua Mukti Morcha v. Union of India & Ors. (1997) 10 SCC 549

because it may present an opportunity for the government to determine whether a bonded labour system exists and to take the necessary action to eliminate it.

- **Ram Bahadur Thakur (P) Ltd v. Chief Inspector Plantation²:** The court had to decide whether or not half-day employment could be counted toward the 160-day period that would qualify a woman employee for maternity benefits. The duration a woman worker was laid off should also be taken into account for determining eligibility, it was decided, in accordance with the Explanation to Section 5(2) of the Maternity Benefit Act. A woman employee cannot be expected to have actually worked at the firm during the layoff time. Therefore, 160 days of actual work cannot be required as a prerequisite for receiving the maternity benefit.
- **Sanjit Roy v. State of Rajasthan³:** It was argued that the provisions of Section 3 of the Rajasthan Famine Relief Works Employees (Exemption from Labour Laws) Act, 1964 violated Article 14 of the Constitution since they allowed for the payment of wages below the legal minimum. The court determined there was no reason for not paying each employee the required salary solely because the position was being offered as a famine relief strategy.

Conclusion

The article had dealt with positive aspects of social security programs implemented by various countries. However, there is no clear evidence that any country has achieved 100 percent social security. The workers in many of these countries are still facing many problems related to social security. Despite the fact that various acts were passed by the countries, only a few of the workers benefited from them. The social security programs in the United Kingdom and United States were effectively implemented, whereas in India certain social evils prevent the proper implementation of social security schemes. Many schemes have yet to be implemented and are only in papers. The employers are able to find loopholes and humiliate the labourers. Corruption by government officials is a clear indication that injustice prevails in society. Certain groups of workers are unaware of their social security benefits. Majority labourers in the

² Ram Bahadur Thakur (P) Ltd. vs Chief Inspector Of Plantations (1989) IILLJ 20 Ker

³ Sanjit Roy v. State of Rajasthan 1983 AIR 328, 1983 SCR (2) 271

unorganised sector have no access to education because of which the employers easily cheat the employees. It is necessary on the part of the government to conduct awareness programs related to social security schemes and their benefits. All employees get social security benefits only if rules are strict against those who prevent their proper implementation such as government officials, employers etc. Getting to a society where everyone achieves social security continues to be a herculean task and debates on the improper implementation of schemes and rules still continues.

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