

THE LAWWAY WITH LAWYERS JOURNAL

VOLUME:-22 ISSUE NO:- 22 ,May 23, 2025

ISSN (ONLINE):- 2584-1106

Website: www.the-lawway-with-lawyers.com

Email: thelawwaywithlawyers@gmail.com

Authored By :- Yash Jain

CONTEMPORARY SOCIAL ISSUES IN INDIA: A LABOUR-CENTRIC PERSPECTIVE ON SOCIAL SECURITY AND WELFARE

Abstract

India's socio-economic landscape is a tapestry of rapid transformation interwoven with persistent inequalities, rendering contemporary social issues both complex and pressing. At the heart of these challenges lies the question of labour welfare and social security, which seek to safeguard workers' rights, health, and dignity. This paper critically examines the efficacy of India's labour laws and social security frameworks in addressing the vulnerabilities of its workforce, particularly those in the informal sector, gig economy, and marginalized groups such as women and migrant workers. Through an analysis of constitutional mandates, the historical evolution of labour laws, recent reforms like the Social Security Code, 2020, and their on-ground impact, this study highlights systemic gaps and proposes actionable pathways for inclusive, sustainable social protection systems. It underscores the urgency of aligning legislative intent with robust implementation to ensure equitable development and human dignity for India's 500 million-strong workforce.

Introduction

India's labour force, one of the largest globally, operates within a dynamic yet challenging socio-economic context defined by rapid urbanization, technological disruption, and entrenched structural poverty. With over 500 million workers, the majority toil in precarious conditions, lacking access to basic social security or legal protections. The Indian Constitution, through its Directive Principles of State Policy (Articles 39, 41, and 43), mandates the State to ensure humane working conditions, social security, and a decent standard of living for all workers. Yet, the translation of these constitutional ideals into tangible rights remains uneven, particularly for the 90% of workers engaged in the informal economy. The rise of the gig and platform economies, coupled with systemic issues like gender inequality and the marginalization of migrant workers, has further complicated the labour welfare landscape. This paper explores these challenges, evaluates the evolution and impact of India's labour laws, and proposes reforms to foster inclusive social security systems that uphold human dignity and promote social justice.

Understanding Contemporary Social Issues in India

India's socio-economic challenges are deeply intertwined with labour welfare, reflecting broader systemic inequalities. The informal economy, encompassing over 90% of the workforce, is characterized by a lack of formal contracts, social insurance, and legal protections, leaving workers vulnerable to exploitation, wage theft, and hazardous

conditions. Unemployment and underemployment remain pervasive, with the International Labour Organization (ILO) estimating that India's unemployment rate hovered at 7.1% in 2022, disproportionately affecting youth and informal workers. Women, who constitute only 23% of the workforce, face systemic barriers such as wage disparities, workplace harassment, and exclusion from benefits like maternity leave. The gender pay gap, estimated at 27% in urban areas, underscores deep-rooted inequities.

The gig economy, while offering flexibility, has introduced new vulnerabilities. Platform workers, such as delivery agents and ride-hailing drivers, often lack job security, health insurance, or retirement benefits. Algorithmic management systems, which dictate work allocation and earnings, exacerbate income unpredictability and reduce worker autonomy. Migrant workers, numbering over 100 million, face acute challenges, as evidenced during the COVID-19 pandemic when lockdowns triggered mass migrations and exposed the absence of portable welfare benefits. Occupational health and safety violations, particularly in sectors like construction and mining, contribute to thousands of workplace injuries and fatalities annually, with enforcement hampered by inadequate inspections and weak penalties.

These issues reflect not only labour market deficiencies but also broader governance failures. The lack of inclusive, accessible, and portable social security systems undermines India's development trajectory, raising critical questions about equity and sustainability.

Evolution of Labour Welfare and Social Security in India

India's labour welfare framework has evolved through a complex interplay of colonial legacies, post-independence reforms, and judicial interventions. Early legislation, such as the Factories Act, 1948, and the Industrial Disputes Act, 1947, focused on regulating industrial relations and ensuring minimum working conditions. The mid-20th century saw a shift toward welfare-oriented laws, including the Employees' State Insurance Act (1948), Employees' Provident Fund Act (1952), and Maternity Benefit Act (1961), which aimed to provide health insurance, retirement benefits, and maternity protections. These laws marked a significant step toward recognizing workers as rights holders under the Constitution's fundamental rights framework, particularly Article 21, which guarantees the right to life and personal liberty.

The judiciary has played a transformative role in expanding labour rights. In *Bandhua Mukti Morcha v. Union of India* (1984), the Supreme Court affirmed that the eradication of bonded labour is a fundamental right, mandating state action to protect vulnerable workers. Similarly, *Olga Tellis v. Bombay Municipal Corporation* (1985) established the right to livelihood as integral to Article 21, emphasizing the state's obligation to safeguard workers' economic security. However, despite these advances, the majority of India's workforce, predominantly informal, remains outside the protective ambit of these laws. Fragmented implementation, low coverage, and weak enforcement have limited their impact, necessitating comprehensive reforms.

The Social Security Code, 2020: Reform and Reality

The Social Security Code, 2020, represents a landmark effort to consolidate nine existing labour laws into a unified framework, aiming to universalize social protection. The Code extends coverage to informal and gig workers, providing for health insurance, maternity benefits, pensions, and workplace injury compensation. It introduces pro-rata gratuity for fixed-term contract workers and mandates the establishment of Central and State Social Security Boards to oversee implementation. The e-Shram portal, launched in 2021, seeks to register informal workers digitally, enhancing access to welfare schemes.

However, the Code's ambitious scope is tempered by significant challenges. Critics argue that its implementation guidelines are vague, with limited stakeholder consultation during drafting. The centralization of decision-making powers risks undermining state-level flexibility, while inadequate budgetary allocations threaten the Code's transformative potential. The absence of clear provisions for grievance redressal and ambiguity regarding financial contributions from gig economy aggregators further complicate effective rollout. For instance, while the Code recognizes gig workers, it lacks enforceable mechanisms to ensure platforms like Uber or Zomato contribute to social security funds, leaving millions unprotected.

Contemporary Labour Issues: A Socio-Legal Perspective

Informality and Exploitation

The predominance of informal employment, over 90% of the workforce remains India's most pressing labour challenge. Informal workers, lacking formal contracts, are excluded from social security benefits and vulnerable to wage theft, unsafe conditions, and exploitation. The construction sector, employing over 50 million workers, reports frequent violations of safety norms, with 1,400 fatal accidents recorded in 2021 alone. The e-Shram portal, while a step toward formalization, faces hurdles such as low digital literacy and limited internet access in rural areas, with only 28% of registered workers accessing benefits as of 2023.

Gig Economy Vulnerabilities

The gig economy, employing an estimated 7 million workers, introduces new complexities. Platform workers face economic precarity due to the absence of traditional employer-employee protections. Algorithmic management often results in unpredictable incomes and limited bargaining power. The Social Security Code's recognition of gig workers is a positive step, but the lack of clear contribution structures and enforcement mechanisms leaves most unprotected. For example, a 2022 study found that 73% of gig workers in India earned below the minimum wage after platform fees.

Migrant Workers' Plight

Migrant workers, critical to India's urban economies, face systemic exclusion. The COVID-19 lockdown exposed the fragility of their social safety net, with millions stranded without wages or access to welfare. The Inter-State Migrant Workmen Act, 1979, intended to protect migrant workers, is poorly enforced, and benefits like healthcare and housing remain inaccessible due to non-portability across states. The e-Shram

portal aims to address this, but its effectiveness is limited by fragmented state-level implementation and lack of inter-state coordination.

Gender Disparities

Women workers, particularly in informal sectors, face compounded vulnerabilities. India's female labour force participation rate, at 23%, is among the lowest globally, driven by cultural norms, unpaid care work, and unsafe workplaces. The Maternity Benefit Act, 1961, mandates paid leave, but only 12% of eligible women in informal sectors access these benefits due to poor enforcement. Workplace harassment remains pervasive, with 70% of women reporting unsafe work environments in a 2021 survey. Gender-responsive policies, such as childcare support and safe transportation, are urgently needed to enhance women's economic empowerment.

Occupational Health and Safety

Occupational hazards in sectors like mining, construction, and manufacturing result in thousands of injuries and fatalities annually. The Factories Act, 1948, mandates safety standards, but enforcement is weak, with only 8% of registered factories inspected annually. Workers' lack of awareness about their rights and limited unionization further exacerbate vulnerabilities. Strengthening regulatory mechanisms and promoting worker education are critical to ensuring safe workplaces.

Implementation Challenges

The gap between policy intent and implementation remains a formidable barrier. Labour departments are understaffed, with only 6,500 inspectors overseeing 8 million enterprises. Budgetary constraints limit the scaling of welfare schemes, with social security expenditure at just 0.8% of GDP in 2022. Low awareness of legal entitlements, particularly among rural and informal workers, hinders access to benefits. The digital divide, with only 55% of rural households having internet access, further excludes marginalized workers from digital platforms like e-Shram. Employers, particularly in small enterprises, often evade compliance due to costs or bureaucratic complexity, underscoring the need for streamlined processes and stronger enforcement.

Global Comparisons and Learnings

International models offer valuable insights for India. Germany's statutory health insurance system integrates public and private providers, ensuring near-universal coverage. Sweden's parental leave policies, allowing shared childcare responsibilities, have boosted female workforce participation to 80%. Brazil's Cadastro Único platform consolidates welfare schemes into a single digital database, enhancing accessibility even in remote areas. Adapting these models to India's context requires decentralized administration, leveraging Aadhaar for interoperability, and ensuring regional flexibility to address diverse socio-economic realities.

The Way Forward: Policy and Structural Reforms

To address India's labour challenges, a multi-pronged approach is essential:

1. **Unified National Labour Card System:** A portable, Aadhaar-linked labour card could integrate workers' social security entitlements across sectors and states, ensuring seamless access to benefits.
2. **Strengthened Labour Inspections:** Increasing the number and capacity of labour inspectors, coupled with transparent compliance monitoring, will enhance enforcement.
3. **Decentralized Implementation:** Empowering local governance institutions to tailor welfare schemes to regional needs will improve responsiveness and outreach.
4. **Social Dialogue:** Promoting tripartite collaboration among workers, employers, and policymakers will foster inclusive solutions and accountability.
5. **Gender-Sensitive Policies:** Mainstreaming childcare support, safe transportation, and menstrual hygiene access will address women's unique needs.
6. **Public Awareness Campaigns:** Multilingual campaigns can bridge information gaps, empowering workers to claim their rights.

Conclusion

India's labour welfare challenges from informality and gender disparities to migrant exclusion and occupational hazards demand urgent, comprehensive reform. The Social Security Code, 2020, signals a positive step, but its success hinges on robust implementation, decentralized governance, and stakeholder engagement. Transforming labour welfare from statutory compliance to a fundamental human right is not only a constitutional imperative but a moral necessity for India's inclusive and sustainable development. By prioritizing workers' dignity, India can build a social security framework that truly reflects its constitutional vision of justice and equity.