

Social Security & Contract Labor in India: A Critical Analysis

Saroj Kumar Barik, Bighnesh Dash Mohapatra & Chandan Kumar Sahoo

Social security measures for contract labor should guarantee hassle-free access to various services such as disability benefits, medical facilities for injuries, compensation for loss of earning capacity due to work-related injuries, old age, dependent benefits, maternity benefits, etc. for the well-being of the contract labor along with his or her family members. Over the past century, many countries have strengthened their social security measures for their working class, and it has been regarded as an integral part of human rights for a healthy society. In India, various legislations have been enacted to protect the rights of the workers, yet the social security benefits have not reached the contract labor in real terms. This paper attempts to critically examine the various social security measures for contract labor under various labor laws in India.

Saroj Kumar Barik (E-mail: saroj.utkaluniversity@gmail.com) is an Executive Ph.D. Scholar, **Bighnesh Dash Mohapatra** (E-mail: yesitisbighnesh@gmail.com), a Research Scholar & **Chandan Kumar Sahoo**, a Professor at the School of Management, National Institute of Technology Rourkela, 769008, Odisha, India

Introduction

In the pursuit of economic development, the working class contributes significantly to the overall progress and prosperity of India, and specifically, contract labor plays a very crucial role in national development in various respects. Although India has made important strides in all aspects to reach the milestone of being the fifth-largest economy in the world, the condition of contract labor receiving the real benefit of social security measures remains very dismal. The social security system has undergone a complete transformation. Historically, individuals turned to the lords, chiefs, kings, their families, societies, religious groups, and authorities to meet their social security needs. Later, social security arrangements influenced the processes of industrialization and urbanization (Ghai, 2002). The coverage and benefits of social security measures have also in-

creased over the years. It has changed from security during difficult times to important aspects of human rights. Institutions like the International Labor Organization (ILO) and the World Bank have also significantly influenced the system in many countries for better access to social security by the working class. Social security benefits to workers have been backed by legal provisions in developing countries like India. Most of the regular workers are getting benefits under various social security schemes, but due to issues like illiteracy, ignorance, lack of awareness about procedures, exploitation by the contractors, etc., the contract workers are still left behind in the race. The concepts of social security need to be looked into through the lens of human rights and dignity while effective policy making and implementation with vulnerable sections such as contract labor in India.

Conceptual Framework of Social Security

The concept of social security has its earliest mention in the Beveridge Committee Report on Social Insurance and Allied Services in 1942, where it was defined as “the way to freedom from want.” The report identified five evils: want (poverty), disease, ignorance (illiteracy), squalor (unsanitary conditions), and idleness (unemployment) while analyzing the various aspects related to social security. Further, the concept is shaped with enhanced coverage and benefits to cater to the demands of the working population and the development of society. As per the International Labor

Organization (ILO), social security is the protection that a society provides to individuals and households to ensure access to healthcare and to guarantee income security, particularly in the cases of old age, unemployment, sickness, invalidity, work injury, maternity, or the loss of a breadwinner.

The International Social Security Association (ISSA) defines social security as any program of social protection established by legislation or any other mandatory arrangement that provides individuals with a degree of income security when faced with the contingencies of old age, survivorship, incapacity, disability, unemployment, or rearing children. It may also offer access to curative or preventive medical care. It can include social insurance programs, social assistance programs, universal programs, mutual benefit schemes, national provident funds, and other arrangements, including market-oriented approaches that, in accordance with national law or practice, form part of a country’s social security system. As per the Social Protection Report 2020-22, social security is not a charity but a fundamental human right. The challenges that individuals and societies face today are manifold, including ever more rapidly changing labor markets in the context of ecological, technological, and demographic transformations, requiring constant upskilling. Social security comprises the economic security provided by society generally or by the

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family, communities, organizations, and other kinship groups for the social well-being of an individual in his journey from one's birth to death (Madhava Rao, 2002).

If we analyze the concept, it revolves around protection against various risks associated with employment and has primarily two components: social insurance (contributory) and social assistance (non-contributory). Social security measures play a crucial role in the well-functioning of labor markets and economic development by mitigating the risks involved in employment-related activities. In India, the concept of social security has its roots in literature such as 'Rigveda', 'Manusmriti', and 'Arthashastra'. Further, the joint family and caste system also played a role in providing some sort of social security measure to its members. Further Indian systems developed through industrialization, western influence, social reforms, and the influence of various international organizations, and the present social security framework is the result of such influences on India. In developing countries like India, the concept of social security implies a broad and pro-poor approach that has three components: a promotional component, a protective component, and a preventive component (Hirway, 1995).

The objective of social security is not only to provide income protection but also security of work, health, and social participation. In addition, social security instruments are not limited to collective insurance and provisions regulated by law, and payment of benefits is not by

definition predominant; interventions aimed at prevention and restoration theoretically play a key role. According to this view, social security relates to more than just traditional social risks (Vrooman, 2009). The significant objectives of social security measures are intended to provide income security and redistribution in the form of compensation during contingencies. It focuses on preventive measures to tackle situations such as sickness, old age, employment injury, unemployment etc. to maintain the productivity of the organization through industrial peace and harmony. Moreover, as a safety net to people during uncertainty, social protection contributes in economic stability and human dignity.

An Overview

Social Security and ILO: ILO conventions and recommendations are unique standards on social security for effective implementation of income security, health protection, reduction of inequality etc. ultimately contributing towards social inclusion. Some of the important ILO instruments are given hereunder:

- The Social Security (Minimum Standards) Convention, 1952 (No. 102) necessitates minimum standards and conditions for social security arrangements globally.
- The Social Protection Floors Recommendation, 2012 (No. 202) expands the accessibility of social security to all in need, prioritizing the establishment of national floors.

- The Equality of Treatment (Social Security) Convention, 1962 (No. 118) emphasizes the equality of treatment about social security provisions and benefits without any condition of residence.
- The Maintenance of Social Security Rights Convention, 1982 (No. 157) provides for the establishment of an international system for the maintenance of rights and social security for migrant workers.

However, the Social Security (Minimum Standards) Convention, 1952 (No. 102) is the most important instrument that established the minimum standards for social security and is accepted worldwide, covering nine branches of social security. These are: old-age benefit, employment injury benefit, medical care, sickness benefit, family benefit, survivors benefit, maternity benefit, and invalidity benefit. The ultimate aim is to attain horizontal and vertical coverage. The principles anchored in Convention No. 102 are: guarantee of defined benefits; participation of employers and workers in the administration of the schemes; general responsibility of the state for the due provision of the benefits and proper administration of the institutions; collective financing of the benefits by way of insurance contributions or taxation.

Social Security and Sustainable Development Goals (SDGs): The concept of social security can be observed in the sustainable development goals. The adoption of the 2030 Agenda for Sustainable Development by all UN member states has reaffirmed the global commit-

ment, which prioritizes social protection as a means to achieve several SDGs. Most prominently, SDG 1.3 calls upon countries to implement nationally appropriate social protection systems for all to reduce and prevent poverty. Since 2009, the UN also mobilizes collectively through country level social protection floor teams called “One UN” in order to support designing and implementing social protection systems, including floors (ILO, 2019).

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Social Security and the Indian Constitution: India is a welfare state, and it is the obligation of the state to provide social protection to its citizens through various measures. The concept of social security can be seen in different articles of the Indian Constitution.

The ultimate object of social security is to ensure that everyone has a means of livelihood. It follows, therefore, that the right to social security is also inherent in the right to life. According to the Supreme Court of India, the country as a constitutionally socialist state, should make an effort to eliminate inequality of income and status and to provide a decent standard of living to the working people. The explanation can also be evidenced in the Directive Principles of State Policy (DPSP). Article 38 states the need to secure a social order for the pro-

motion of the welfare of the people, while Article 39 (a) directs the state to secure the citizens, men and women, equally, the right to an adequate means of livelihood through the policies. Article 41 entails the right to work, to education, and to public assistance in certain cases. Moreover, Articles 42 and 43 emphasize the provision for humane conditions of work, maternity relief and a living wage for all kinds of workers. In the concurrent list (Seventh Schedule of the Constitution of India) social Security and insurance, employment and unemployment (item No. 23) and labor welfare including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pension and maternity benefits (item No. 24) are under the scope of both central and state governments. It is evident from the Indian Constitution that social security plays a vital role for the largest democracy and it prescribes certain obligations and duties on the part of the state to maintain socially stable and protected citizens.

Social Security and National Commissions on Labor: As social security is a social and economic necessity to combat poverty and social exclusion and promote development, equality, and equal opportunity (ILO, 2012), both the National Commissions on Labor have recommended various measures to strengthen the social security system of India for the wellbeing of the working population.

Some of the important commendations of the 1st National Commission on Labor (1969) are that social security is a

major aspect of a country progressing towards a welfare state and is based on the ideals of human dignity and social justice. Further, schemes like the central fund for workmen's compensation, maternity benefits, and other funds as a co-contribution model should be evolved. The fund should be controlled by the Employee's State Insurance Corporation (ESIC), and relevant recommendations of the ESIC review committee should be incorporated timely. Proper compliance with the social security provisions of the various acts and a comprehensive social security plan by merging all social security into a single fund may be thought of in the future for disbursing various benefits according to needs.

Social security needs to be considered a fundamental human right; hence, the state has to bear the responsibility for providing and ensuring an elementary or basic level of security.

The key recommendations of the 2nd National Commission on Labor (2002) are: social security needs to be considered a fundamental human right; hence, the state has to bear the responsibility for providing and ensuring an elementary or basic level of security, which leaves room for partly or wholly contributory schemes. In addition to that, there is a need for separate legislation to provide maternity benefits to women working in the unorganized sector. There is a need for a single law to place all the provident funds under a common regime, and the employment threshold should be brought down

to 5 during the next 3-5 years for maximum coverage. An integrated insurance scheme providing for gratuity, unemployment benefits, layoffs, and retrenchment compensation may be evolved and entrusted to the EPFO for its implementation. The provision of education allowances to all employees may be incorporated into the existing laws. An area-based social security scheme with basic benefits such as (a) insurance against death or disability, (b) health insurance, and (c) old age benefits may be created for the workers in the unorganized sector. There is a requirement for a national policy on social security schemes and the creation of a department of social security within the Ministry of Labor. A Social Security Fund of India and a Social Security Fund of each state may be set up to provide a comprehensive system of social security through a combination of schemes catering to the needs of different target groups.

Social Security & Contract Labor in India

Contract labor plays a significant role in the sphere of the Indian workforce and contributes to various sectors. According to the legal provisions of the Contract Labor Regulation and Abolition Act (CLRA), 1970, “a work-

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man shall be deemed to be employed as contract labor in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer, and as per the Act, it was enacted to regulate the employment of contract labor in certain establishments and to provide mechanisms for its abolition in certain circumstances. Contract labor is being preferred over regular workers due to its low cost and lesser obligation to provide social and welfare benefits. Further, the liberalization of the market economy in the early nineties necessitated greater flexibility in employment for the industries to compete from a global perspective, and antediluvian labor laws have forced industries to hire contract laborers to address the cyclical demands and create business-friendly compliance mechanisms to survive and compete in the globalized economy (Ray, 2016). As the incentive system embraced by liberalization induced competitiveness, the import market has grown competitive, and establishments have reallocated labor with a reasonably priced contractual workforce (Chakraborty et al., 2021). A labor contract refers to a situation where a person or agency undertakes to supply labor to an establishment for its work as and when demanded against a stipulated rate of payment, remuneration, or commission. The term “job contract” connotes an arrangement wherein a person or agency is formed to work, provide services, or found an establishment involving the hiring of labor (Pandey, 1994).

Every society's social security system is uniquely shaped by their history, attitudes, and expectations of the future, of which their political, economic, and philosophical experiences play a significant part. While 'security' connotes ideas of stability and continuity, the radical changes that have taken place globally over the past century have equally affected the development and operation of social security. As these changes to social security take place, they, in turn, go on to further shifts in broader society and the cycle continues (Piachaud, 2020). In order to provide social security benefits to contract workers and to regulate the employment of contract labor, the Central Government is implementing the Contract Labor (Regulation and Abolition) Act, 1970. The Act applies to every establishment in which 20 or more workers are employed. These workers avail themselves of social security and other benefits under the Employees' Compensation Act (1923), the Employees' State Insurance Act (1948), the Industrial Dispute Act (1947), the Minimum Wages Act (1948), the Employees Provident Fund and Miscellaneous Provisions Act (1952), the Maternity Benefit Act (1961), the Payment of Gratuity Act (1972), etc. (Government of India, 2018).

Employees' Compensation Act, 1923

The Workmen Compensation Act, 1923 (later changed to the Employees Compensation Act in 2009) is one of the earliest social security laws in India. It covers the compensation aspects of workers who have suffered an injury or

occupational disease arising out of and in the course of employment (place, time, and in connection with the employment). The compensation is being paid by the employer to the worker in cases of injury resulting in disability, and in fatal cases, the dependents should be compensated as per the formula prescribed under the provisions and schedules of the Act. Further, it applies to all establishments, irrespective of any threshold of employees, but not where the worker is availing of or registered under the Employee State Insurance Act, 1948. In the latter case, the compensation aspect has to be dealt with by the Employee State Insurance Corporation. There are four types of eventualities described under this Act: death, permanent total disability, permanent partial disability, and lastly, temporary disablement. However, the employer is not liable to pay compensation if the disablement does not last more than three days, the disablement has occurred due to disobedience, drug or drink use, or willfully not using the safety measures. In the event of a disability created due to a disease caused by a hazardous working atmosphere, the employer is liable to pay compensation if the worker has worked for at least a continuous period of six months before having such an occupational disease.

Employees' State Insurance Act, 1948: The Employees' State Insurance Act, 1948, is a comprehensive legislation to provide various types of benefits to its registered members. The Act is applicable to non-seasonal power-using factories employing 10 or more per-

sons with the aid of power and 20 or more persons without the aid of power. The existing wage limit for coverage under the Act, effective January 1, 2017, is Rs. 21,000 per month (Rs. 25,000 per month in the case of persons with disabilities). The ESI is self-financed health insurance through contributions by employees and employers (1.75% and 4.75% of the wages respectively) administered through the Employees State Insurance Corporation. Under the scheme, comprehensive benefits cover sickness benefits, enhanced sickness benefits, extended sickness benefits, temporary and permanent disablement benefits, dependent benefits, maternity benefits, medical benefits, and other expenses such as confinement expenses, funeral expenses, vocational training, physical rehabilitation, unemployment allowance, etc.

Industrial Dispute Act, 1947: A workman who is laid off (temporary suspension of employment, often used in response to short-term challenges (the employer is compelled to turn out the employees) is entitled to compensation equivalent to 50 percent of the total basic wages and dearness allowance for the period of layoff. The said compensation can be availed of only if the employee has provided continuous service for at least one year. If such a layoff exceeds 45 days, the employer can either keep paying such layoff compensation or retrench (a permanent termination aimed at long-term operational efficiency, the employer lessens overburdened employees) the workers.

Nonetheless, retrenchment should necessarily be applied, abiding by the procedure set out by the statute. If the worker has worked for one year for the employer, they are entitled to receive 15 days' wages as retrenchment compensation.

Minimum Wages Act, 1948: The Minimum Wages Act (1948) is a central piece of legislation aimed at the statutory fixation of minimum rates of wages in employment where sweated labor is prevalent, with the possibility of exploitation of unorganized labor. The provisions of the Act are intended to achieve the objective of doing social justice to workmen employed in the scheduled employments by prescribing minimum rates of wages for them. The Act aims at the statutory fixation of minimum wages to prevent the exploitation of labor. The payments should be made before the 7th day of the month if the number of workers is less than 1000 and before the 10th day if the number of workers is greater than 1000.

Employees Provident Fund and Miscellaneous Provisions Act, 1952: The Employees Provident Fund and Miscellaneous Provisions Act (1952) is social security legislation that provides mainly three benefits: the provident fund, pension, and insurance. The Act is applicable to every establishment that is a factory engaged in any industry specified in Schedule I and in which 20 or more persons are employed, and to any other establishment employing 20 or more persons or a class of such establishments as the central government

may, by notification in the official gazette. Under the EPF Scheme (1952), an employee of any covered establishment drawing monthly wages up to Rs. 15,000 is statutorily required to join the fund and to contribute 12% of wages, which includes basic wages, dearness allowance, and retaining allowance, if any. The employer is also required to contribute 12% of the wages. The Employees' Provident Fund is managed by a Board of Trustees consisting of representatives from the Central Government, employers, employees, and state governments.

Maternity Benefit Act, 1961: The Act applies only where is not applicable. It applies to factories, mines, and circuses. This Act applies to shops and establishments that employ 10 or more people. There is no restriction on the type of female employee eli-

gible under the Act. Here, the definition of a woman employee shall include those who work on a contract basis or through an agency. To be eligible for benefits guaranteed under the Act, the woman employee must have worked for at least 80 days during the 12 months immediately preceding the date of her expected delivery of a child in that particular establishment. It is important to note that during the calculation of the count of 80 days, the paid holidays are also to be counted. The Act has a specific mention that no woman shall be employed or shall work for six weeks after the day of her delivery, miscarriage, or medical termination of pregnancy. Also, for one month preceding the date of expected delivery, the pregnant woman shall not be given work of an arduous nature or that involves long hours of standing. The details of the important benefits are given hereunder.

Table 1 Provisions Under Maternity Benefits

Maternity leave for two surviving children	26 weeks
Maternity leave for more than two children	12 weeks
Miscarriage or medical termination of pregnancy, upon production of proof	6 weeks
Tubectomy	2 weeks
Illness arising out of pregnancy, delivery of child, premature birth of child, Miscarriage, medical termination of pregnancy or tubectomy operation	1 month
Medical bonus where there has been no pre-natal confinement and post-natal care	Rs.3500
Every establishment having fifty or more employees	facility of creche

Payment of Gratuity Act, 1972: The Act covers employees in all industries, including those working in factories, mines, oilfields, plantations, ports, and railways and an employee is eligible for gratuity if the worker has completed minimum five years of continuous service. However, in case of death or disablement of the employee

the minimum continuous service condition has been waived off. The amount of compensation is 15 days of last drawn salary for each completed year of service. The maximum limit for gratuity is 20 lakhs. Forfeiture of payment of gratuity can be made partially or fully depends on the extent of damage or loss or destruction caused to

the property of the employer due to any act, willful omission or negligence of the employee. Gratuity = (Last drawn salary x 15/26) x Number of years of service.

Social Security Code, 2020: The Code on Social Security 2020 subsumes nine Central labor legislations, i.e., the Employees' Compensation Act 1923, the Employees' State Insurance Act 1948, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act 1961, the Payment of Gratuity Act 1972, the Cine Workers Welfare Fund Act 1981, the Building and Other Construction Workers Welfare Cess Act 1996, and the Unorganized Workers' Social Security Act 2008. The objective of the Code on Social Security 2020 is to amend and consolidate existing labor laws relating to social security with the wider goal of extending social security benefits to all workers, regardless of the organized or unorganized sector. The Code on Social Security, 2020 brings within itself the self-employed workers, home workers, wage workers, migrant workers, workers in the unorganized sector, gig workers, and platform workers for social security schemes, including life insurance and disability insurance, health and maternity benefits, and provident funds. Most of the states have published their draft state rules in line with Central rules, but the code has yet to be implemented. The government is hopeful for the implementation of the code in the near future for the ease of doing business and the benefit of all stakeholders.

Social Security System for Contract Labor in India

In spite of various legislation regarding social security measures for contract workers, the ground-level implementation shows that a substantial portion of these workers remain out of the social security net due to various issues and ignorance. Some forms of social security system exist in almost every developing country. Compared to those in Western welfare states, however, they are usually much more limited in scope in regard to the risks they cover, the benefits they provide, and the population groups they include (Krennerich, 2014). The social security system in the country is comprehensive, but there are a number of deficiencies and shortcomings, mainly with respect to the unorganized sector (Hoda & Rai, 2017). Most of the laborers are not aware of their rights or the welfare schemes of the government (Biswas, 2020). The same can be observed in employee provident fund organizations, where a sizeable amount is dormant due to the lack of claims by beneficiaries. In most cases, they are eligible for a pension, but due to the lack of awareness, they do not know the claim procedure to get the pension benefit. As contract labor remains a major chunk of the unorganized sector, social security benefits reaching the last mile remain a daydream. As per the 2022-23 Annual

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Table 2 Interpretations of Court Verdicts with Respect to Contract Labor

Cases	Interpretation
Nazeena Traders (P) Ltd. And Ors. Vs Regional Provident Fund Commissioner AIR 1965 AP 200(Andhra H.C)	Since section 1 (3) of EPF Act,1952 cannot be interpreted in isolation and independent of the definition, the definition brings in contract labour within the scope of Sec. 1 (3) of the act. It is not disputed that if the definition applies to Sec. 1 (3), it includes contract labourers.
C.E.S.C. Ltd. Etc vs Subhash Chandra Bose And Ors 1992 AIR 573, 1991 SCR Supl. (2) 267(S.C.) Regional Director, E.S.I Corpn. Vs Francis De Costa And Anr 1992 SCR (3) 23, 1993 SCC Supl. (4) 100(S.C.)	Right to social security and protection of family were integral part of right to life under Article 21 of the Indian constitution. The ESI Act, 1949 seeks to cover sickness, maternity, employment injury, occupational disease, etc. It is established in law to prevent injustice; broad interpretation should be given, even if it requires a departure from literal construction. Security against sickness and disablement was a fundamental right under Article 21 also Sec. 39(e) of the Constitution of India.
L.I.C. of India & ANR vs Consumer Education & Research centre&Ors.etc 1995 AIR 1811, 1995 SCC (5) 482 (S.C.) Zila Sahakari Kendra Bank Maryadit vs Sehjadi Begum & Ors, 2006(111)FLR(704) Mohiuddin Khan vs State of Jharkhand and another, 2012 (134) FLR 908=2012(3) LLJ 324(Jharkhand H.C.) Manoj Kumar vs M/s Sintext Industries Pvt Ltd, 2016(150) FLR 287=216(3) CLR 549=2016 LLR 580(Himachal Pradesh H.C)	Social security has been assured under Article 41 and 47 impose a positive duty on the state to raise the standard of living and to improve public health. Employer under Workmen Compensation Act is not only who employs another, but also the workers who were in his contract or temporary lent. Right to get minimum wages is included in the right to life; hence, its non-payment would amount to breaching Article 23 of the Constitution of India. Depositing the ESI contribution of contract labour by the principal employer employed by an unregistered contractor does not make such contract labour an employee of the principal employer simply because the ESI card of such person carries the name of the employer. Under the ESI Act, it is the liability of the principal employer to ensure that all employees are covered under this scheme.
Smt. Kavita Pant vs State of Uttarakhand and others ,2017 LLR 467=2017(152) FLR 796 (Uttarakhand H.C) Cummins (I) Ltd. v. Industrial Cleaning Services And Others, 2017 ,Writ petition no. 7867 of 2003(Bombay H.C.) The Maharastra General Kamgar Mahasangh, Mumbai vs M/s Taj Sats Air Caters Ltd and another, 2019 (161) FLR 109=2019(2) CLR 56=2019 LLR 250 (Bombay H.C.)	Woman contractual employees are covered under the benefits of the Maternity Benefit Act and the same is liable to be paid by the principal employer, if not settled by the contractor. It is submitted that under the Payment of Gratuity Act, the liability to pay gratuity is not on the principal employer but on the immediate employer of workmen. When the contractor issued appointment letters, paid wages and salary slips, deducted and deposited ESI and PF, put supervisors in charge of supervising and controlling the workforce, paid bonuses, maintained all records of his employees, and produced registration certificates, there would be no employer-employee relationship between the principal employer and contractor employees, which is not a sham contract.

Source: Compiled by Authors (S.C-Supreme Court of India, H.C-High Courts)

Report of the Ministry of Labor and Employment, Government of India, the unorganized workers suffer from cycles of excessive seasonality of employment, lack of formal employer-employee relationship, absence of adequate social protection, and other welfare schemes such as sickness and unemployment allowances.

Analyzing some of the important verdicts by the Supreme Court and different high courts in India, the legislations have interpreted to keep a balance between the benefit of the working population and industrial harmony. A gist of the important verdicts is given in Table 2.

The courts have addressed the cases in a positive manner, emphasizing the importance of social security as integral to human rights and the dignity of the working class that prevent injustice in line with the scope of the judicial interpretation of the Indian constitution and the existing labor laws. It is pertinent to mention here that contract labor in India suffers from inadequate working conditions, lower payment of the minimum wage and minimal welfare measures. The bargaining power of contract workers was typically low, with very low

firing costs, and so they were far away from any wage premiums (Sarkar, 2023). Despite the plethora of regulations, contract labor is not even able to fight for its legal rights as they are not organized, nor does the legal framework quite support them; they remain in constant fear of job insecurity (Saini, 2010; Kumar, 2013). A large proportion of the population around the world lives in a situation of social insecurity; that is, beyond the restricted alternatives of depending on relatives or societies to safeguard their living standards, they have no access to social security in formal terms (Kannan & Pillai, 2007). Notably, due to a technological deficiency, proper data and information pertaining to the existing beneficiaries belonging to the contract labor sector is not available for law enforcement and policy-making authority, which is also detrimental to the contract labor system in India. The social security measures also suffer from a lack of funding and digitalization of records of beneficiaries, feedback mechanisms, and a lack of coordination and overlap of programs for proper implementation. There are many instances of legal provisions that appear in enactments but have never been implemented because, on examination, they prove impracticable (Lenkins, 1993).

Despite the plethora of regulations, contract labor is not even able to fight for its legal rights as they are not organized, nor does the legal framework quite support them; they remain in constant fear of job insecurity

Most of the time, it is observed that the contract workers of marginal contractors remain out of the social security net as per the prescribed thresholds. The contract workers were forced to remain in dilapidated condition without any proper social security benefits, and hardly anyone complained due to a

Good Practices: Algeria Wins the ISSA Special Distinction for Innovation

The National Social Insurance Fund for Employees (*Caisse nationale des assurances sociales des travailleurs salariés*) of Algeria has won the first ever International Social Security Association (ISSA) Special Distinction for Innovation as part of the Good Practice Award for Africa competition. Electronic medical records (EMR), which are challenging to implement worldwide as they involve advanced expertise and data management capabilities, are part of the CNAS' overall objective to continuously improve the quality of services provided to insured persons and their dependents through process digitalization. The paper-based system was no longer fit-for-purpose, as insured persons had to travel to their home branch for medical checks, sharing information between medical advisers in different locations became impossible, the processing of claims was unnecessarily long, and filing and storage required a lot of space and resources. By the end of 2023, CNAS aims to have digitised 100 percent of social-insurance-related medical records. This will improve the quality of care for the beneficiaries by reducing the time and other formalities. It will also provide reliable statistical data for studies along with referrals for medical checks.

genuine fear of job loss (Saini, 2010). Due to the loss of employment, workers are not in a position to demand their minimum wage, and most employers hesitate to inspect whether they have been paid the government-prescribed minimum wage. Female contract workers are covered under maternity benefit if they have worked for the minimum days as prescribed in the statute, but they hardly get any maternity benefit from their contractors in India. In case of any employment injury due to ignorance, the contract laborer did not get any social security measures. For fatal accidents, the dependents of the contract workers face enormous difficulties getting the compensation deposited with the workmen compensation fund due to lack of awareness, ignorance, lack of support from contractors, etc. Further, by resorting to contract employment, an employer could bypass some of the restrictive regulations. Intensive reliance on contract labor has always been more prevalent among larger firms (Bertrand et al., 2021). It is observed that collusive

agreements between various agents often result in the exploitation of contract labor (Meenakshi, 2010). So, it is the need of the hour to look after our working class, especially the contract laborers, for a better and more prosperous society.

Recommendation

Social security in developing countries needed to be viewed from a broader perspective as a human rights spirit (Dreze & Sen, 1989). Some of the steps that can be considered to strengthen the social security measures for contract laborers in India are:

- Training and awareness programs for contract laborers at the industry level and provide information about their rights related to social security benefits.
- Proper digitalization of records and use of the latest technology for proper analysis of data and information related to social security.

- Proper implementation of labor laws at the ground level and coordination among various departments and agencies for better implementation of social security measures.
- Involvement of subject experts who have worked at ground level with the working class to design schemes to reach the target audience.
- Helpline numbers and customer care support to the working class to provide the correct information to protect their rights with respect to social security.
- The best practices of other countries, organizations, and international institutions shall be customized with Indian conditions to strengthen the social security measures for contract laborers in India.

Conclusion

The working class, especially contract laborers, plays a crucial role in India's economic progress. All the stakeholders should come forward for effective implementation of the social security measures for contract laborers to provide a conducive and supportive environment for them and their family members as their legitimate interests. The entire ambit of the unorganized sector should be covered by insurance and social security schemes so as to mitigate the risks in this sector and boost the confidence of the workers. The government, through its social security measures, must cater to the disadvantaged sections of the society. Effective human resource practices for

contract labor (coupled with effective recruitment and selection procedures, unbiased treatment of the contract labor, fair wage rates, quality of welfare activities, and training opportunities) shall motivate the contract labor to perform with enthusiasm and boost their competencies. While India has a huge potential to achieve many milestones to become a leading economic power, it must ensure that the rights of the working class have been well protected through various welfare and social security measures and their effective implementation, adapting to the transformational changes of the global environment along with fulfilling domestic needs and aspirations.

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