



A COMPREHENSIVE REVIEW OF SOCIAL SECURITY UNDER NEW LABOUR CODES AND ITS IMPACT ON CONTRACTUAL LABOURS REGULATIONS.

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Abstract

The indiscriminate utilization of contract labour and the recent amendments in labour codes governing social security are posing serious challenges to the welfare and livelihood of workers, significantly undermining their job security and social well-being. Contract labour arrangements often lead to exploitation as workers are vulnerable to low wages, long working hours, lack of benefits, and job instability. The new labour codes, instead of safeguarding workers' rights, prioritize flexibility for employers at the expense of workers well-being, exacerbating the already prevalent inequality in society. Significant hurdles in accessing social security benefits, including health insurance, retirement plans, and maternity benefits. With the introduction of new labour codes, social security provisions are becoming even more in accessible for such workers, further compromising their financial stability and quality of life. This study aims to identify role of new labour codes comprehensively in securing contract labour, in conjunction with the recent amendments.

Keywords: Labour Law, Labour Codes, Social Security, Contractual Labour Regulations, GST, Unorganised Sector, Secondary Research, Financial Stability, Quality of Life, Ease of Doing Business.

Introduction

Over the last few years, the existing labour regulations have been managed and followed in such a way which is leading directly to labour exploitation. Certain amendments have also been made to the newly introduced labour codes but it has been observed that such changes have brought serious challenges to the existing livelihood and well-fare patterns of the workers, especially to those who work under certain contracts (Deakin et al., 2020). These amendments have also created certain security threats for these workers. It has been observed that these newly introduced labour codes have been proven to be more beneficial for employers instead of providing protection to the contractual labourers.



Figure 1: Important Labour Laws

(Source: Deakin et al., 2020)

Aim

The following study aims to perform a comprehensive review of social security provided by the New Labour Codes and how these codes can impact the regulations associated with contractual labour.

Objectives

- To understand the provisions of new labour codes.
- To analyse the ability of the new labour codes to ensure social security.
- To evaluate the impact of the new labour codes on contractual labour regulations.

Research Questions

RQ1: What are the provisions of new labour codes?

RQ2: What is the ability of the new labour codes to ensure social security?

RQ3: What are the impacts of the new labour codes on contractual labour regulations?

Literature Review

The provisions of new labour codes

To make a nation empowered and self-reliant it is important to empower the working class of the society as they are primarily responsible for ensuring economic growth through continuous production. According to Behrendt et al., (2019), about 90% of the workers who belong to unorganized sectors, do not have proper access to the necessary social security. Srivastava, (2020), opined that in a nation like India, there are about 50 crores of people who are directly associated with unorganized sectors for living. Following the

same, Deakin et al., (2020), stated that the newly introduced labour codes will provide necessary security to the workers of both organized and unorganized sectors. These newly developed labour codes were made operational along with the introduction of **GST**, the One Nation One Tax provisions of the government. It is believed that the progressive thinking process of the government has brought such labour reforms to the country.

The ability of the new labour codes to ensure social security

According to Irudaya Rajan et al., (2020), four labour laws have been combined to create the Minimum Wage Code. After the introduction of this code, all the workers despite their backgrounds will be believed to be receiving the right minimum wages. Moreover, certain social security provisions have been guaranteed to the labourers from now on. As per these codes, the provision of minimum wage will be made available to all 50 crores of people who are associated with both organized and unorganized sectors. Choudhari, (2020), opined that the government has decided to review these codes every 5 years to maintain and test the relevancy of these codes.

These codes also ensure timely payment of wages to the workers. Bhattacharjea,(202), mentioned some of the major provisions of these codes which are, that both male and female workers should receive equal remuneration for equal efforts. **To** eradicate regional disparity of wage rates, the provision of floor wage has been introduced for the first time. The process of wage determination has also been made easier which is also convenient for the employers as well. The wage ceiling has been increased from Rs. 8,000 to Rs. 24,000.

The impacts of the new labour codes on contractual labour regulations

According to Irudaya Rajan et al.,(2020), the newly developed labour law codes are capable of providing some social security to the workers. About 50 crore people in the country are associated with unorganized sectors and hence it is essential to provide them with proper facilities to ensure high production for a longer period of time. Despite providing workplace safety and security some of the provisions of these codes have not only compromised the financial stability of the workers but also created excessive work pressure on them which in turn have lowered the quality of life of these people.

Research Methodology

Research Philosophy

In order to carry out a comprehensive review of social security provided by new labour codes and also to understand its impact on contractual labour regulations an interpretive research philosophy has been adopted as this particular research philosophy is suitable for analysing social issues which cannot easily measured or observed in a quantitative manner (Pandey and Pandey, 2021).

Research Approach

The inductive research approach is known to be one of the most flexible research approaches and hence it has been chosen to understand the selected subject manner and to understand its significance in the present societal contexts (MishraandAlok,2022). It is believed that with the help of this approach, the impact of the modified labour codes on the contractual labour regulations can be understood with efficiency.

Figure3: Inductive Research Approach

(Source:Self-created)

Research Design

Descriptive research design is efficient in understanding a particular or a targeted population and hence in order to understand the current situation and position of the contractual laborers a descriptive research design has been selected (Pandey and Pandey, 2021). A detailed description of the entire scenario can be obtained with the help of this design.

Data Collection Method

The following study has followed a secondary research framework. All the relevant data have been collected from various authentic online databases and only secondary data has been used to complete this research (Mishra and Alok, 2022). While collecting data a key word searching method has been used. Online databases like Google Scholar and Direct Science have been used.

Data Analysis

After collecting all of the data a thematic approach was adopted with the help of which all these data have been categorized into several themes under which the detailed analysis has been performed.

Ethical Consideration

While performing this study all the collected data were kept secured in university data bases in order to protect them from being misused. This study is accompanied by a proper reference list containing the sources of all the used data. Valuable information is also supported with proper in- text citations

Theme 1: The provisions of new labour codes

The revised labour codes focused on emphasizing the right minimum wages and timely payment of wages for the workers. All these codes were initially developed with the aim of offering occupational safety to the workers. It is believed that such reforms will successfully contribute to the creation of a better working environment which in turn will accelerate economic growth (Majumdar et al.,2020). The government has taken the initiative to create an environment within the national territory which will provide all the organisations with an "ease of doing business" and hence all the existing labour codes were being revised. Previously, the working class of society was entangled with a wide range of labour legislation which was quite difficult to understand, especially for those who do not have a proper educational background. A Revolutionary step has been taken by the central government and they codified 29 complicated laws into 4 major codes so that all the labourers can be provided with proper occupational security along with respect, well- fare measures and health facilities (Srivastava, 2020). However, it has been noticed that some of the provisions mentioned in these codes are not completely convenient for the labourers and these codes provide more facilities to the employers instead.

Theme2:

The ability of the new labour codes to ensure social security

After analyzing the new labour codes it has been observed that nine pre-existing labour laws have been amalgamated into the highly anticipated Social Security Code so that all the workers can receive proper social security including pension, insurance, gratuity, maternity and other essential benefits. To ensure the availability of sufficient social security a legal frame work has been developed by the government (Prates and Barbosa,2020). A system has been institutionalized so far in a chronological manner so that the contributions of both the employers and employees can be noted properly. The government has also decided to provide funds for the people who belong to the disadvantaged sections of society. With the help of such small contributions, these labourers can easily receive proper medical treatments and facilities from all those hospitals and dispensaries that are listed under the provisions of ESIC(Castaneda-avarret eetal., 2021). These ESIC hospitals and dispensaries have been kept open not only for the employees of the organized sectors but also for employees of the unorganised sectors as well. It should also be noted regular payment of these ESIC fees often creates an additional financial burden upon the employees, especially those who receive

minimum wages.

Theme3:

The impacts of the new labour codes on contractual labour regulations

Although the pre-existing labour laws have been revised and certain modifications have been brought for further upgradation, not all the provisions have been proven to be convenient for the workers, especially for the contractual workers. It has been already mentioned that workers in unorganized sectors are quite vulnerable to long working hours, limited social security, inflexibility, improper working environment and so on. There are some of the provisions of these revised labour codes which have created many challenges for the workers and one of such challenges is the regular payment of ESIC fees (Prates and Barbosa, 2020). ESIC is a particular scheme which is capable of providing health and treatment facilities to the workers but regular payment of fees has brought additional financial burden to the disadvantaged sections.

Discussion

The following study has successfully analysed the newly introduced labour law codes. It has been understood that the pre-existing complicated labour laws have been amalgamated into four new and major labour law codes so that the entire regulations can appear understandable to the masses. The government has tried to launch ESIC facilities along with proper pension schemes, gratuities and so on. Some of these provisions have been proven to be more beneficial to the employers instead of the workers themselves to some extent.

Conclusion

Finally, it can be concluded that with the help of a secondary research framework, the provisions of social security provided by the new labour codes have been understood and the impact of these codes upon the contractual labourers has also been evaluated