

## **SOCIAL SECURITY SCHEMES IN INDIA: HISTORICAL TRAJECTORY AND THE EMERGENCE OF THE SOCIAL SECURITY CODE, 2020**

*Richa Srivastava\**

### **Abstract**

Social security in India has evolved from community-based welfare systems to formal, state-regulated frameworks. While pre-independence measures covered only select workers, post-independence reforms integrated labour welfare into constitutional and socio-economic agendas. Despite this, social security remained a neglected policy area until later decades. The Social Security Code, 2020, consolidates nine central laws into a single framework, aiming to simplify compliance, standardize wage definitions, and extend coverage to unorganised, gig, and platform workers which is yet to be implemented. It also introduces provisions for women, fixed-term employees, and other vulnerable groups, alongside the creation of Social Security Funds and Boards. However, its implementation has been uneven, with states gradually framing rules. Critics highlight dilution of existing welfare measures and difficulties in reaching unorganised workers. The Code's effectiveness ultimately depends on equitable execution. This study evaluates its benefits, shortcomings, and comparison with earlier legislations.

***Keywords:** Social Security Code, Social Protection, Organised Workforce, Gig Workers, Platform Workers*

- I. Introduction**
- II. French Revolution on Social Security**
- III. Industrial Revolution on Social Security**
- IV. Communist Perspective on Social Security**
- V. Indian Labour Movements on Social Security Measures**
- VI. Role of Britishers on Social Security Schemes**
- VII. Pre-independence Status of Social Security Schemes**
- VIII. Post-independence reforms of social security schemes**
- IX. Findings**

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\*Assistant Professor (Sr), VIPS-TC, Delhi.

## X. Conclusion

### I. Introduction

THE HISTORICAL trajectory of social security schemes in India unfolds against a backdrop of socio-economic shifts and policy responses spanning different historical periods. Before India's independence in 1947, social security measures were primarily decentralized and informal. Traditional support networks, such as extended families and community-based affiliations, offered limited assistance to those in need. However, these mechanisms proved inadequate in addressing the emerging challenges brought about by industrialization, urbanization, and colonial exploitation<sup>1</sup>.

Following independence, the Indian government embarked on initiatives aimed at tackling social inequalities and economic disparities. The Constitution of India, adopted in 1950, enshrined principles of social justice and equality, laying the groundwork for subsequent social security endeavors. The introduction of Five-Year Plans in 1951 played a pivotal role in advancing social development goals, with a focus on poverty reduction, rural upliftment, and employment generation. These plans marked a significant step towards expanding social security measures across the country<sup>2</sup>.

A notable milestone in India's social security landscape was the establishment of the National Social Assistance Programme (NSAP) in 1995. Designed to provide support to vulnerable segments of society, such as the elderly, widows, and the disabled, NSAP introduced schemes like the Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and the Indira Gandhi National Widow Pension Scheme (IGNWPS), among others<sup>3</sup>.

In recent years, the Indian government has also prioritized healthcare accessibility through various health insurance schemes. Initiatives like the Rashtriya Swasthya Bima Yojana (RSBY) and the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) aim to offer financial protection against medical expenses, particularly for economically disadvantaged families and vulnerable populations.

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<sup>1</sup>S.N. Mishra, *Labour and Industrial Laws* 38 (Central Law Publications, Allahabad, Edition 19<sup>th</sup> 2019).

<sup>2</sup>*Ibid.*

<sup>33</sup>[nhrc.nic.in/sites/default/files/Approved\\_Health%20and%20social%20security%20ISMW\\_KDS-NHRC.pdf](https://nhrc.nic.in/sites/default/files/Approved_Health%20and%20social%20security%20ISMW_KDS-NHRC.pdf)(last visited on January 25, 2025).

Additionally, India has implemented labour welfare legislation to safeguard the rights and interests of workers in the organized sector. Acts such as the Employees' Provident Fund (EPF) Act, the Employees' State Insurance (ESI) Act, and the Maternity Benefit Act serve to provide social security benefits to employees. Furthermore, discussions have emerged in recent years regarding the potential implementation of a Universal Basic Income (UBI) scheme in India. UBI proposes unconditional cash transfers to all citizens as a means of ensuring basic income security, although its practicality and feasibility remain subjects of ongoing debate and exploration<sup>4</sup>.

The evolution of social security schemes in India reflects a transition from informal community-based support systems to more formalized government interventions aimed at providing economic and social protection to vulnerable populations. Despite progress, challenges persist in extending coverage, ensuring inclusivity, and addressing the diverse needs of India's vast and heterogeneous population<sup>5</sup>.

## II. French Revolution on Social Security

The French Revolution, which commenced in 1789, instigated a profound transformation in the societal landscape of France, influencing various aspects, including the concept of social security. While the term "social security" in its current context did not exist during this revolutionary period, notable shifts in social policies and welfare systems unfolded.<sup>6</sup>

Firstly, the revolutionaries aimed to abolish the feudal system and its privileges, such as tax exemptions for the nobility and clergy, with the objective of establishing a more equitable distribution of financial responsibilities. The ideals of the Revolution, encapsulated in the Declaration of the Rights of Man and of the Citizen in 1789, championed principles of liberty, equality, and fraternity, laying the foundation for a more inclusive and egalitarian societal framework, albeit without explicit mention of social security.<sup>7</sup>

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<sup>4</sup>V.G. Goswami, *Labour and Industrial Laws* 48 (Central Law Publications, Allahabad Edition 21<sup>st</sup>, 2021).

<sup>5</sup>*Ibid.*

<sup>6</sup>International Labor Organisations, *available at: www.ilo.org/wcmsp5/groups/public/dgreports/dcomm/publ/documents/publication/wcms\_104643.pdf* (last visited on January 8, 2025).

<sup>7</sup>*Ibid.*

The National Assembly, in the early stages of the Revolution, implemented a series of social and economic reforms addressing issues like poverty, unemployment, and social disparities. Revolutionary leaders initiated social assistance programs to provide support to the impoverished and vulnerable, reflecting a commitment to the principles of fraternity and solidarity.<sup>8</sup>

Economic measures, such as the introduction of assignats as a form of paper currency, aimed at stabilizing the economy, although persistent challenges prompted discussions on ensuring the economic well-being of citizens. Revolutionary leaders also emphasized civic equality, advocating for universal access to public services, laying the groundwork for the idea that citizens were entitled to specific rights and protections.

It's crucial to acknowledge that the French Revolution was characterized by radical political and social upheaval. While attempts were made to address social issues and inequalities, the era was marked by instability, evolving ideologies, and challenges in implementing enduring social reforms. The comprehensive concept of social security, as understood in contemporary terms, emerged in subsequent centuries as societies grappled with industrialization, urbanization, and shifts in the nature of work and welfare.<sup>9</sup>

### **III. Industrial Revolution on Social Security**

The profound impact of the Industrial Revolution, spanning from the late 18th to the mid-19th century, extended across various facets of society, notably shaping the concept of social security. This era, marked by rapid industrialization, urbanization, and technological advancements, brought about significant shifts in work dynamics, living conditions, and societal structures, ultimately influencing the trajectory of social security measures.<sup>10</sup>

#### **Labour Conditions and Economic Disparities**

The shift from agrarian landscapes to industrial urban centers introduced demanding working conditions in factories, characterized by extended work hours, modest wages, and inadequate

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<sup>8</sup> *Ibid.*

<sup>9</sup> *Supra* note 6 at 3.

<sup>10</sup> Industrial Revolution, *available at*: <https://www.britannica.com/money/topic/Industrial-Revolution>(last visited on January 5, 2025).

safety measures. These factors played a pivotal role in contributing to economic imbalances and social disparities.<sup>11</sup>

### **Emergence of Social Challenges**

The Industrial Revolution gave rise to novel social issues, including widespread poverty, child labor, and substandard housing. The rapid pace of industrialization often outpaced the establishment of social support systems, leaving the working class vulnerable to various challenges.<sup>12</sup>

#### *Early Responses*

In its initial phases, social security strategies during the Industrial Revolution relied heavily on philanthropy, charity, and localized community initiatives. Mutual aid societies and philanthropic endeavors emerged as mechanisms to provide assistance to workers and their families during times of adversity.<sup>13</sup>

#### *Labour Movements and Advocacy for Worker's Rights*

With the progression of industrialization, labour movements gained momentum, advocating for improved working conditions, workers' rights, and the introduction of social safeguards. Trade unions and collective bargaining played crucial roles in negotiating more favorable terms for workers.<sup>14</sup>

#### *Governmental Intervention*

In response to social unrest and the demands of labor movements, governments began to intervene in social and labor affairs. The implementation of labor laws, factory regulations, and safety standards marked initial steps in addressing the social consequences of industrialization.<sup>15</sup>

#### *Establishment of Pension and Insurance Systems*

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<sup>11</sup>*Ibid.*

<sup>12</sup>Supra note 10 at 7.

<sup>13</sup>Supra note 10 at 7.

<sup>14</sup>*Ibid.*

<sup>15</sup>Labour, available at: [ncib.in/pdf/ncib\\_pdf/Labour%20Act.pdf](https://ncib.in/pdf/ncib_pdf/Labour%20Act.pdf)(last visited January 21, 2025).

Over time, industrialized nations initiated formal social security systems. The late 19th and early 20th centuries witnessed the introduction of pension schemes and social insurance programs, offering financial support to workers during old age, illness, or periods of unemployment.<sup>16</sup>

#### *Evolution of Welfare States*

Post-World War II, comprehensive welfare states were established and expanded in many industrialized nations. Social security programs broadened to encompass unemployment benefits, healthcare coverage, and family support, reflecting a commitment to the overall well-being of citizens.<sup>17</sup>

#### *Persisting Challenges*

Despite the evolution of social security systems to address the evolving needs of industrialized societies, enduring challenges persist. These include issues associated with the gig economy, demographic shifts, and the imperative to ensure the resilience of social security in the face of economic fluctuations.<sup>18</sup>

The Industrial Revolution, while propelling economic progress, underscored the necessity of addressing social and labour-related challenges. The continuous development of social security measures reflects society's adaptive responses to the consequences of industrialization, acknowledging the need for a safety net to shield individuals and families from the inherent uncertainties of modern industrial economies.

### **IV. Communist Perspective on Social Security**

Communist perspectives on social security schemes reflect a spectrum of ideas grounded in the broader principles of communist ideology, which seeks to eradicate class distinctions, foster equality, and establish collective ownership of means of production. Within this ideological framework, social security is seen as a crucial mechanism to ensure the overall welfare of society, addressing basic needs and mitigating socio-economic disparities<sup>19</sup>.

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<sup>16</sup>*Ibid.*

<sup>17</sup> Supra note 15 at 6.

<sup>18</sup>*Ibid.*

<sup>19</sup>Michael Freeden, *The Congruence of Socialist Diversity*, 417-455 (Oxford Academic, London, 1998).

Central to these perspectives is the concept of collective responsibility, where communists emphasize the shared duty for citizens' well-being. Social security is regarded as an inherent right, promising universal access to essential services such as healthcare, education, and a decent standard of living. The goal of eliminating class divisions is emphasized, and social security measures are viewed as instrumental in bridging socio-economic gaps, ensuring equal access to social protection for all members of society<sup>20</sup>.

Advocacy for universal access to social security benefits is a common thread, asserting that irrespective of contributions or employment status, everyone should have equal access to vital services and support. In communist ideology, the state assumes a central responsibility in guaranteeing citizens' well-being, often administering and funding social security schemes to ensure uniform protection<sup>21</sup>.

Communists argue that social security measures play a crucial role in reducing income and wealth disparities by establishing a safety net for vulnerable segments of society. The emphasis on social services, including healthcare and education, is seen as integral to social security, contributing to a fairer distribution of resources and opportunities for personal development.

Critiquing capitalist social security models is inherent in communist perspectives, as they contend that such systems perpetuate inequalities by prioritizing the interests of the bourgeoisie over those of the proletariat. Communists advocate for a radical overhaul of social security, aligning it more closely with the principles of communism. It is essential to note that the practical implementation of social security in countries adhering to communist ideologies has varied, and different interpretations of communist principles contribute to nuanced perspectives on the role of social security within this ideological framework<sup>22</sup>.

## V. Indian Labour Movements on Social Security Measures

Indian labour movements have been instrumental in advocating for social security measures, playing a pivotal role in shaping policies and influencing the implementation of such schemes in

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<sup>20</sup>*Ibid.*

<sup>21</sup>*Ibid.*

<sup>22</sup>Supra note 19 at 9.

the country<sup>23</sup>. The key aspects characterizing the stance of these movements on social security measures encompass various dimensions:

#### *Championing Worker Welfare and Rights*

Consistently, Indian labour movements champion the cause of worker welfare and rights. Their advocacy revolves around the implementation of social security measures to shield workers from economic uncertainties, ensure access to healthcare, and provide support during periods of unemployment or old age<sup>24</sup>.

#### *Formalizing the Informal Sector*

A significant segment of India's workforce operates in the informal sector. Labour movements emphasize the formalization of informal labour, stressing the importance of extending social security benefits to workers in agriculture, small-scale industries, and unorganized sectors<sup>25</sup> with the help of Social Assistance Programme.

#### *Integrating Minimum wage and Social Security*

The link between fair wages and comprehensive social security measures is a recurring theme in the demands of Indian labour movements. They argue that alongside ensuring a minimum wage, workers should be entitled to social security benefits such as health insurance, pension, and unemployment benefits<sup>26</sup>.

#### *Ensuring access to healthcare*

A prominent aspect of the demands put forth by Indian labour movements is the assurance of access to healthcare. They advocate for health insurance and medical facilities for workers and their families, recognizing the pivotal role of a healthy workforce in overall productivity<sup>27</sup>.

#### *Promoting Pension schemes and Retirements benefits*

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<sup>23</sup>Labour, available at: <https://labour.gov.in/social-security> (last visited on January 22, 2025).

<sup>24</sup>Supra note 15 at 7.

<sup>25</sup>*Ibid.*

<sup>26</sup>*Ibid.*

<sup>27</sup>*Ibid.*

The emphasis on establishing and enhancing pension schemes and retirement benefits is another focal point for Indian labour movements. Ensuring financial security for workers during their retirement is considered a fundamental right, prompting active advocacy for these benefits<sup>28</sup>.

#### *Advocacy for Gender sensitive social security*

Acknowledging the unique challenges faced by women workers, Indian labour movements consistently call for gender-sensitive social security measures. This includes advocating for maternity benefits, childcare facilities, and policies tailored to address the specific needs of women in the workforce<sup>29</sup>.

#### *Utilizing strikes and protests for social security*

Strikes and protests are frequently employed by Indian labour movements to underscore their demands for improved social security measures. These actions have been crucial in raising awareness and influencing policy changes.<sup>30</sup>

#### *Collaboration with Governments and Employers*

In addition to advocacy and protests, labour movements in India actively engage in collaboration with the government and employers to negotiate and implement social security measures. Tripartite discussions involving workers, employers, and the government are a common approach to address labour-related issues.

Indian labour movements play an active role in advocating for social security measures to ensure the well-being and rights of workers. Their multifaceted efforts encompass a spectrum of issues, from fair wages to healthcare access, with the overarching goal of fostering a more secure and equitable working environment

## **VI. Role of Britishers on Social Security Schemes**

The influence of the British colonial administration on social security schemes in the regions under its dominion was complex and contingent on various factors such as economic priorities,

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<sup>28</sup>*Ibid.*

<sup>29</sup>Supra note 23 at 8.

<sup>30</sup>Carina Schmitt, "Social Security Development and the Colonial Legacy" *World Development* 70 (2015).

political dynamics, and social considerations<sup>31</sup>. The impact of British rule on social welfare was diverse, with several key aspects to consider.

### *Economic Exploitation and Priorities*

The primary aim of British colonial rule was economic exploitation, emphasizing resource extraction and wealth accumulation. Social security schemes were not a central concern, as economic policies were geared towards serving the interests of the colonial powers<sup>32</sup>.

#### 1. Labour Policies and Conditions:

The British administration significantly shaped labour laws and working conditions in the colonies. However, these regulations were often designed to maintain a stable and productive workforce for economic activities rather than ensuring comprehensive social security for workers<sup>33</sup>.

### *Limited Social Welfare Initiatives*

Comprehensive social security schemes for the native populations were not a focal point of British colonial governance. Social welfare initiatives were often limited, prioritizing social order and unrest prevention rather than addressing broader social and economic needs<sup>34</sup>.

### *Pensions for Government Personnel*

In certain colonies, the British introduced pension schemes for government employees to provide a form of social security. However, access to such benefits was often restricted to specific groups, and the broader population lacked coverage under comprehensive social security programs<sup>35</sup>.

### *Impact on Indigenous Social Structures*

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<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*

<sup>33</sup> *Supra* note 30 at 10.

<sup>34</sup> *Ibid.*

<sup>35</sup> *Ibid.*

The British colonial administration sometimes influenced existing indigenous social structures, disrupting or weakening traditional community-based support systems. This contributed to increased vulnerabilities in the absence of alternative social security mechanisms<sup>36</sup>.

#### *Public Health Measures*

Public health initiatives were undertaken by the British in some colonies, addressing concerns like sanitation and disease control. While not directly related to social security, improvements in public health were considered beneficial for overall community well-being<sup>37</sup>.

#### *Legacy of Social Inequalities*

The colonial period left a lasting legacy of social and economic inequalities. The limited emphasis on comprehensive social security during this time contributed to disparities that endured even after gaining independence<sup>38</sup>.

#### *Post-Independence Developments*

After achieving independence, many former colonies grappled with the task of establishing their own social security systems. The legacy of British rule, including its impact on economic structures and social institutions, influenced the subsequent development of social security policies in these nations<sup>39</sup>.

The British colonial administration's role in shaping social security schemes was primarily influenced by economic considerations and the maintenance of social order. While some initiatives were implemented, such as pensions for certain government employees, the focus on comprehensive and inclusive social security systems was not central during the colonial period. Post-independence, many countries worked to address these gaps and build their own social security frameworks.

### **VII. Pre-independence Status of Social Security Schemes<sup>40</sup>**

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<sup>36</sup>*Ibid.*

<sup>37</sup>*Ibid.*

<sup>38</sup>Supra note 35 at 10.

<sup>39</sup>Supra note 4 at 14-20.

<sup>40</sup>*Ibid.*

In the period preceding independence, the landscape of social security schemes exhibited considerable diversity, shaped by a complex interplay of colonial policies, cultural norms, and socio-economic circumstances. Indigenous communities often relied on their traditional systems of mutual aid, fostering communal responsibility for the well-being of members. However, the formalization of comprehensive government-sponsored social security programs was notably lacking, with limited measures addressing healthcare, unemployment, and pension benefits across regions. Under colonial rule, social security policies were influenced by the priorities of colonial powers, resulting in restricted coverage, such as the introduction of pensions for specific government employees. Informal community practices and occupation-specific support structures played a pivotal role in providing assistance during challenging times, while religious and charitable institutions engaged in endeavors to aid the needy. Access to healthcare remained constrained, often relying on traditional healing practices, and vulnerable groups, including the elderly and widows, faced challenges in the absence of formalized social security measures. The influence of the caste system in certain regions further shaped the dynamics of social security, tying it to traditional structures. Labour welfare, encompassing social security for workers, received limited focus, and established labour rights were rudimentary. As countries transitioned to independence, the need to address these gaps prompted the formulation of distinct social security policies tailored to meet the evolving needs of their populations.

#### **VIII. Post-independence reforms of social security schemes:**

Following independence, India has undergone substantial reforms in its social security schemes to cater to the diverse needs of its population and foster inclusive development<sup>41</sup>. Key aspects of these post-independence reforms include:

##### *Broadened Coverage*

Significant efforts have been made to extend the coverage of social security schemes, particularly to encompass workers in the informal sector. Schemes like the Employees' State

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<sup>41</sup>Supra note 39 at 11.

Insurance (ESI) Act and the National Social Assistance Programme (NSAP) aim to reach a wider segment of the population<sup>42</sup>.

#### *Universalized Benefits*

Certain benefits have been universalized to ensure greater accessibility. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) guarantees the right to work, providing employment opportunities in rural areas and ensuring a minimum level of income<sup>43</sup>.

#### *Health Insurance Initiatives*

Introduction of health insurance programs, exemplified by Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY), seeks to offer financial protection and enhance access to quality healthcare, particularly for vulnerable populations<sup>44</sup>.

#### *Pension Reforms*

The National Pension System (NPS) was introduced to provide a sustainable and long-term pension solution. Additionally, the Atal Pension Yojana (APY) targets workers in the unorganized sector, encouraging savings for retirement<sup>45</sup>.

#### *Unemployment Benefits*

The Employees' Provident Fund Organization (EPFO) provides benefits such as provident fund and pension, acting as a form of social security during employment and retirement.

#### *Gender Sensitive Measures*

Various schemes have been implemented to address gender disparities. For instance, the Pradhan Mantri Matru Vandana Yojana (PMMVY) provides financial assistance to pregnant women, aiming to ensure proper nutrition and healthcare during pregnancy<sup>46</sup>.

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<sup>42</sup>*Ibid.*

<sup>43</sup>*Ibid.*

<sup>44</sup>*Ibid.*

<sup>45</sup>Investment and Retirement Planning, available at: [https://www.researchgate.net/publication/373604365\\_Investment\\_and\\_Retirement\\_Planning\\_\\_A\\_Conceptual\\_Analysis](https://www.researchgate.net/publication/373604365_Investment_and_Retirement_Planning__A_Conceptual_Analysis) (last visited on 10<sup>th</sup> September, 2025)

<sup>46</sup>*Ibid.*

*Disability and Rehabilitation Programs*

Initiatives like the National Handicapped Finance and Development Corporation (NHFDC) provide financial assistance and support for self-employment ventures to individuals with disabilities<sup>47</sup>.

*Institutional Strengthening*

Efforts have been directed towards fortifying the institutional framework of social security systems. The incorporation of technology, including Aadhaar-based authentication, aims to streamline delivery mechanisms and prevent leakages.

*Adaptation to Demographic Change*

In response to demographic shifts, the Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM) scheme targets unorganized sector workers, particularly those in the lower-income group, providing a pension in their old age<sup>48</sup>.

*Public Awareness and Education*

Public awareness campaigns have been initiated to educate citizens about their entitlements under various social security schemes. The objective is to ensure that eligible individuals are informed and able to avail themselves of the benefits<sup>49</sup>.

*International Collaborations*

India has explored collaborations with international organizations, adopting best practices to enhance its social security framework. These collaborations aim to leverage global experiences for the continuous improvement of social security schemes<sup>50</sup>.

These post-independence reforms underscore India's commitment to building a more inclusive and comprehensive social security system, adept at addressing the diverse needs of its populace and adapting to evolving socio-economic challenges.

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<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*

<sup>49</sup> *Supra* note 45 at 13.

<sup>50</sup> *Ibid.*

### VIII. Five Year Plans relating to Social Security Schemes in Unorganised Sector

Five-Year Plans<sup>51</sup> in India is framed, executed and monitored by the Planning commission in India.<sup>52</sup> The Planning Commission in India<sup>53</sup> was set up in March, 1950 with the following terms and object:

The Constitution of India has guaranteed Fundamental Rights to the citizens of India and enunciated certain Directive Principles of State Policy. Keeping into consideration these rights conferred by the Constitution and the desired goals of the government to raise the quality of life of the people, the Planning Commission's objectives is effective utilization of the available resources and to increase the production by way of providing employment opportunities to all.

Social security is a relatively neglected area in terms of both research and policy in India. For two to three decades after Independence, there was hardly any discussion in this area in the India five Year plan documents, until the Ninth Plan. They were silent on social security planning and did not even take cognizance of the prevailing schemes.<sup>54</sup> Over the last few decades, India has witnessed a shift in the social security discourse.

#### The Eighth & Ninth Five Year Plan

Due to political uncertainty at the central level, the Eighth Five-Year Plan (1992-1997) faced a delay of two years in its effectiveness. Unlike its predecessors, this plan prioritized addressing economic challenges by focusing on the welfare of individuals through the generation of employment opportunities. Furthermore, the Planning Commission placed greater emphasis on effectively implementing policies to protect workers in the unorganized sector, acknowledging their substantial contribution to economic growth.<sup>55</sup> To achieve its objectives, the Planning Commission recommended analyzing macroeconomic, sectoral, and labor policies related to employment. A noteworthy suggestion during this period was that the stringent provisions of existing labor legislation posed obstacles to employment in large-scale industries.<sup>56</sup>

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<sup>51</sup>The new Government led by Narendra Modi, elected in 2014, has announced the dissolution of the Planning Commission, and its replacement by a think tank called the NITI Aayog.

<sup>52</sup>Renamed as NITI Aayog (2015).

<sup>53</sup>*Ibid.*

<sup>54</sup>Rolf Sulzer, Social Security in India: A System in the Making, 3 Partner Country Perspective, 211-229

<sup>55</sup>Government of India, Report of the Working Group of Eighth Five Year Plan, 117 (Planning Commission).

<sup>56</sup>*Ibid.*

The Ninth Five-Year Plan witnessed a shift in labor policy, resulting in positive outcomes for India. Under this plan, the Planning Commission was more dedicated to achieving “Growth with Social Justice & Equity,” with a focus on promoting private sector involvement.<sup>57</sup>

### **The Tenth Five Year Plan**

The Planning Commission, during the Tenth Five-Year Plan, set out to generate employment in the unorganized sectors lacking coverage under existing social security legislation. This plan aimed at achieving economic and social justice, leading to the formulation of relevant policies. Endorsed by the National Development Council<sup>58</sup>, the Tenth Five-Year Plan's working group discovered that while most social security laws applied to the public sector, employment therein was declining. Hence, a review of the pension system was proposed under this plan. Additionally, it advocated for a comprehensive social security policy to safeguard the interests of the entire workforce. The Planning Commission also recommended streamlining the delivery system and issuing National Security Numbers by the EPFO to workers for accurate identification in case of injury or other incidents, ensuring their dependents could access government-provided social benefits.

### **Eleventh Five Year Plan**

The Eleventh Five-Year Plan, greenlit by the National Development Council, is geared towards achieving faster, more extensive, and inclusive growth, aiming for an average annual rate of 9 percent. Its objectives include reducing poverty by 10 percent through the creation of 70 million new jobs and ensuring electricity access for all villages. The Plan emphasizes measurable targets for key programs at both central and state levels, with a focus on social sectors, agriculture, and rural development. Proposed amendments include raising priority sector allocations to 74.67 percent of the center's Gross Budgetary Support, up from 55.20 percent in the Tenth Plan. Furthermore, there's a push to increase infrastructure investments, including irrigation, drinking water, and sewage, from 5 percent of GDP in 2005-2006 to 9 percent by 2011-2012. The education sector is slated for substantial investment, with the Plan aiming to increase its allocation to 19.36 percent of the GSB, compared to 7.68 percent in the Tenth Plan.

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<sup>57</sup>Government of India, Ninth Five Year Plan (1997-2002) Planning Commission.

<sup>58</sup> Through this plan the government target to provide employment to 10 million people over this Plan period.

### **The Twelfth Five Year Plan**

This plan is poised to depart from its predecessors due to the unique economic context within which it will operate. It introduces several fresh initiatives aimed at retaining youth in the agricultural sector and allocating resources for research and innovations in this field. Its core objectives revolve around ensuring food security and enhancing the welfare of farmers by boosting investments in agriculture and allied sectors. To address challenges in the livestock sector, the plan proposes the implementation of the National Livestock Mission<sup>59</sup> and the National Programme for Bovine Breeding & Dairying. Moreover, it underscores the imperative of establishing a National Social Security framework for the unorganized sector and devising a comprehensive action plan to extend social security coverage to nearly all segments of the unorganized workforce, with the ultimate goal of encompassing all unorganized workers in the long run. Additionally, the plan emphasizes the need to strengthen the enforcement of existing social security legislation, such as the EPF Act and ESIC.

The EPFO's efforts to improve delivery systems and issue National Social Security Numbers to workers during the Tenth Plan should continue to reduce worker harassment and corruption. The plan also advocates completing ESIC initiatives, such as extending the ESI Scheme and enhancing benefits. It emphasizes focusing on healthcare, accident benefits, sickness, and maternity provisions, but notes that self-employed individuals are not covered by existing Acts. The plan calls for uniform criteria across Acts and tailored schemes for different worker segments, with associations or trade unions playing a role in benefit provision, as demonstrated by ESIC's collaboration with cine worker unions in Mumbai.

The plan emphasized the duplication of benefits provided by various schemes, like disablement and dependents' benefits offered by both ESI and EPF. This redundancy could be resolved through uniform coverage criteria adoption. Convergence would not only save costs by avoiding duplicate functions but also optimize resource utilization. Additionally, the plan prioritized the need for comprehensive social security laws covering the entire workforce. In 2014, the Planning Commission was succeeded by NITI Aayog, a more dynamic institution. It functions akin to a think tank, collaborating with stakeholders to foster the nation's development.

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<sup>59</sup>The main objective of this mission is to achieve sustainable development and growth of livestock sector by providing greater flexibility to the states.

## IX. Findings

Examining the historical development of social security schemes in India unveils several noteworthy trends, showcasing the evolution and progression of social welfare initiatives:

### *Informal Structures Pre-Independence*

Prior to independence, social security mechanisms were largely informal, relying on traditional community-oriented practices for mutual support. While indigenous communities had their own support systems, formal government-sponsored programs were limited.

### *Colonial Period Influencer*

The colonial era witnessed the introduction of certain social security measures by the British administration, such as pension schemes for government employees. However, these initiatives were often limited in scope and did not encompass the entire populace.

### *Limited Labor Welfare in the Pre-Independence Era*

The pre-independence period witnessed a lack of comprehensive labor welfare and social security measures for workers. Working conditions were often challenging, and well-defined labor rights were absent.

### *Post-Independence Reforms*

Post-independence India initiated substantial reforms in social security schemes, addressing the diverse needs of its population. Initiatives like the Employees' Provident Fund (EPF) and the Employees' State Insurance (ESI) Act marked a shift toward more inclusive social security systems.

### *Universalization Initiatives*

Reforms post-independence included efforts to universalize certain benefits, ensuring wider access to social security provisions. Schemes like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aimed at universally providing employment opportunities.

*Introduction of Health Insurance*

The introduction of health insurance programs, exemplified by Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY), represented a significant step toward offering financial protection for healthcare expenses, particularly for vulnerable sections.

*Pension Reforms and Retirement Benefits*

Reforms in pension schemes, including the National Pension System (NPS) and the Atal Pension Yojana (APY), reflected a commitment to providing sustainable retirement benefits and financial security for the elderly.

*Gender Inclusive Measures*

Post-independence, there has been a focus on gender-inclusive social security measures, addressing disparities through initiatives like the Pradhan Mantri Matru Vandana Yojana (PMMVY) for pregnant women.

*Integration of Technology*

Reforms have integrated technology, such as Aadhaar-based authentication, to fortify the delivery mechanisms of social security schemes, ensuring efficient implementation and minimizing leakages.

*Institutional Strengthening*

Efforts have been directed towards fortifying the institutional framework of social security systems, improving governance, administration, and overall efficiency.

*Adapting to Demographic Changes*

The introduction of schemes like the Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM) demonstrates responsiveness to demographic changes, particularly in meeting the needs of unorganized sector workers.

*Public Awareness Initiatives*

Public awareness campaigns have been launched to inform citizens about their entitlements under various social security schemes, fostering wider participation and utilization of benefits.

### *International Collaborations*

India has engaged in international collaborations, drawing from global best practices to enhance the effectiveness of its social security framework.

The Five-Year Plans relating to social security benefits under unorganised sector: The recommendations regarding to social security schemes in unorganised sector only started from 9<sup>th</sup> five-year plan. Before that it was never thought about.

## **X. Conclusion**

The historical perspective of social security schemes in India reveals a transition from informal community-based support to more formalized, inclusive, and technologically integrated systems. Post-independence reforms reflect a concerted effort to address the evolving socio-economic needs of the population and construct a resilient social security framework.

Social security in India has roots stretching back to ancient times, manifested in structures like joint families and religious institutions. However, as industrialization, urbanization, and privatization took hold, these traditional systems waned in importance, prompting the need for formalized social security measures. Before independence, only specific categories of workers benefited from social security laws. Following independence, India enshrined significant provisions regarding labour social security in its Constitution, including fundamental rights and directive principles of state policy.

Despite its historical significance, social security remained a marginalized area in terms of both research and policy in India for several decades post-independence. Little attention was paid to it in the Five-Year Plan documents until the Ninth Plan, with social security planning largely overlooked, and existing schemes scarcely acknowledged. However, in recent decades, there has been a notable shift in the discourse surrounding social security in India.

Despite the existence of numerous programs aimed at safeguarding the underprivileged, social security initiatives often fall short of achieving their intended goals. This discrepancy

highlights the need for greater attention to be paid to the efficacy and implementation of social security measures in India for which Social Security Code, 2020 came into existence.

The Social Security Code, 2020, marks a landmark reform in India's labour and welfare framework by consolidating and rationalising nine central legislations related to social security into a single, comprehensive code. These earlier laws included the Employees' Provident Fund Act, Employees' State Insurance Act, Maternity Benefit Act, Payment of Gratuity Act, and the Unorganised Workers' Social Security Act, among others. By bringing them under one umbrella, the Code seeks to simplify compliance, remove overlaps, and create a unified system of protection for workers across diverse employment categories.

One of the most significant changes introduced by the Code is the expansion of coverage. Unlike the earlier fragmented system, which primarily benefited workers in the organised sector, the new framework extends social security benefits to those employed in the unorganised sector, gig economy, and platform-based work. This is particularly relevant in the present context, where millions of workers are engaged through digital platforms and contractual arrangements. For the first time, the law formally recognises "gig workers" and "platform workers" as distinct categories, ensuring that they are not excluded from welfare schemes.

The Code strengthens benefits for different classes of workers. Fixed-term employees are now eligible for gratuity on a prorated basis, putting them on par with permanent staff. Women workers gain access to enhanced maternity benefits, including 26 weeks of paid leave (with certain conditions for multiple surviving children), and adoptive as well as commissioning mothers are brought within its scope. Other benefits, such as provident fund, pension, health insurance through ESI, life and disability cover, childcare facilities, and old-age protection, have also been retained and streamlined.

Another major feature is the introduction of a uniform definition of "wages", which includes basic pay, dearness allowance, and retaining allowance, while capping exclusions such as allowances at 50% of gross salary. This harmonisation is expected to bring consistency in calculating contributions and benefits across various schemes like EPF, ESI, and gratuity, reducing disputes and enhancing transparency.

Institutionally, the Code envisions the establishment of Social Security Funds and Boards at both the central and state levels, with responsibility for framing and monitoring schemes for

unorganised workers, gig workers, and others. Funding for these schemes is proposed to come from multiple sources, including central and state governments, employer contributions, and corporate social responsibility (CSR) allocations. To facilitate compliance, the Code introduces the concept of Inspector-cum-Facilitators, whose role is not only to ensure enforcement but also to assist employers and workers in understanding and fulfilling their obligations.

Although the Code was passed in 2020, its implementation has been staggered. Some provisions, such as Aadhaar-based registration of workers under Section 142 and certain aspects of EPF and EPS, have already been notified, while others await notification as states continue to frame their rules. For instance, in 2025 the Delhi government released draft rules proposing the creation of Social Security Boards, career centres, and a Social Security Fund to support unorganised workers, demonstrating how states are moving toward operationalising the framework.

At the same time, concerns have been raised by trade unions and labour groups, who argue that broad definitions and structural changes may dilute the protective scope of institutions like EPFO and ESIC, potentially reducing the effectiveness of existing welfare mechanisms. There are also apprehensions about how effectively gig and platform workers will be covered in practice, given the challenges of funding, contribution models, and enforcement.

In essence, the Social Security Code, 2020, represents a paradigm shift in India's labour welfare system, aiming to universalize social security, reduce legislative complexity, and bring emerging forms of work into the fold of protection. However, its success will depend largely on how inclusively and efficiently it is implemented at the ground level, particularly in ensuring that vulnerable workers especially in the unorganized and gig sectors can actually access and benefit from the schemes envisioned under the Code.