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# Assessment of the Availability and Effectiveness of Social Security Benefits for Contract Workers in Durg Industrial Area

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## ABSTRACT

*The protection of contract workers through social security benefits is one of the most important aspects of labour welfare. This study focused on the kinds of social security benefits being offered, and the manner in which they effectively provide support to contract workers in Durg in the industrial area. The research will further evaluate the other benefits conferred on them, such as health insurance, pension schemes, maternity benefits, and accident compensation. Also discussed are the limitations, inadequacies of implementation of these policies, and lack of enforcement on part of the employer and government agencies that led to uneven compliance with the processes. Methodologically, the study has been overcome with the help of both primary and secondary data sources. Thus, the result recommendations include suggesting better policies, improvements in enforcement systems, and awareness programs to facilitate closure of existing gaps. Thus, there is a key necessity to strengthen social security provisions so that contract workers may enjoy economic stability, reduce their Workplace vulnerabilities, and promote labour rights in India.*

## KEYWORDS

*Contract labour, Social Security, Labor Welfare, Durg, Policy Implementation, Employment Rights*

## INTRODUCTION

Social security is a key concept that helps, in particular, workers in working informal or contract-based employment (Hamid, et al. 2022). Social security schemes comprise health insurance, provident funds, gratuity, maternity benefits, and compensation for accidents. Such schemes function as safety nets for all workers and counteract the effects of economic distress arising from illness, injury, or old age. In the organized sector, such benefits are systemically extended. In contrast, contract workers--largely precarious in nature--find it particularly hard to access and utilize these protections. This study investigates the availability and effectiveness of social security benefits for contract workers in the Durg Industrial Area, a major industrial area in Chhattisgarh. Contract workers play an important role within industrial economies as contributors to productivity and economic growth; however, job status is unstable, combined with low wages and little legal protection. They are often at risk of employment without any formal contracts, job security, or rights to access social security provisions. The most salient piece of labour legislation in India, like The Contract Labour (Regulation and Abolition) Act 1970 and the Employees' State Insurance Act 1948, rest on social security benefits for contract workers in Durg. However, there are huge gaps in terms of compliance with these laws. This research intends to evaluate how far the reach of these legal provisions is for the contract workers in Durg Industrial Area. Durg Industrial Area is an industrial area that is home to industries of small, medium, and large scale, employing a large proportion of contract workers in different sectors and industries, including steel, cement, engineering, and manufacturing. The type of contract employment in these industries creates a situation in which the workers are excluded from the formal social security structure. This is due to numerous factors including ignorance, bureaucratic hindrance, and evasion by employers.

The purpose of this investigation is to assess the level of benefits supporting contract workers in Durg existing from social security schemes and to identify the specific problems they face in receiving these benefits. This research also examines the contract workers' perception of the efficiency of the social security benefits provided by them. Even though government policies advocate for certain protection, in practice, it is debatable how far this protection is given. Using both surveys and interviews involving the contract workers, employers, and labour officials, this study will give empirical evidence on how these social security measures stand regarding their effectiveness. Besides this, the study will assess how trade unions, labour welfare boards, and non-governmental organizations support access to social security for contract workers. A comparative analysis of policy

implementation and employer compliance along with workers' experiences will illuminate the structural gaps present within social security coverage. Such identification-using supply as a variable theory-and also through highlighting the variation among contract workers in small-scale versus large-scale industries are able to show the very inequalities which exist within the industrial workers.

The study will also review the global best practices and recommend policy measures that could enhance social security coverage for contract workers in India. In a larger context of labour rights and social justice, this research is significant since it is about comprehensive social security for contract workers. Contract workers must have guarantees for their whole social security safety to thoroughly engage in constructing an equitable labour market, burgeon an inclusive economic development process. The findings of this research are expected to be of use to policymakers and labour activist, in increasing, the level of socio-economic development in the lives of contract workers through included parties from the entire industry perspective. Addressing the implementation loopholes in the social security provision is the objective of this study in an effort to contribute towards advancing slightly forward the discourse on labour welfare.

## **LITERATURE REVIEW**

The discourse around contract labourers in India has adapted itself through times, steeped in the terms of labour market flexibility, social security, and legal protections for labour. Scholars have examined contract labour and development in the strategies of India's industrial economy, emphasizing that it bears every one of the marks of precarious employment where some labour laws attempt to protect the welfare of a worker but cannot do so in any true sense. Barik, Mohapatra, and Sahoo (2024) stand with a rather critical analysis of the contract workers of India, pointing out the deficiencies in the legal frameworks in providing adequate protection. Mishra and Dwivedi (2024) trace the long history of industrial labour legislation, bearing witness to major legislative developments, balancing economic growth and the rights of the labourer. Damodaran noticed rather that the tenor of changes in industrial regulations over recent decades seemed to favour employers much more than labour welfare. The introduction of India's new labour codes has caused an uproar of discussions among the scholars. Ramaswamy and Binnuri (2023) argued that, while codes aim at greater compliance simplicity among the organized and unorganized labourers, they dilute worker protection altogether. Mitra and Ghosh (2022) explain the landmark court rulings that reveal divergent interpretations of contract labour rights, leaving fuzzy enforcement. Occupational

safety for contract labourers, particularly in high-risk sectors, has attracted increasing attention (Jackson and Quinlan, 2024), since corporate bodies often overlook compliance with regulations in the name of saving costs thus endangering the health safety problems of contract labourers employed in the mining industry. In furtherance, Sharma (2022) mentions that a lack of institutional protection has increased the vulnerability of contract workers into an area of concern in humans' right. There have been studies into the double-sided nature of contract labour, these have explored its contribution to flexibility in labour markets but the flip side is job insecurity.

Discussing labour market flexibility in the Indian industry, Bhattacharjea (2021) states that the development in contract employment does not accompany improvement in work quality. On the other hand, Singh et al. (2019) identified primary drivers motivating businesses to exercise the employment of contract workers, with cost-efficiency being first. Alfers and Moussié (2022), surveying worldwide, examine informal workers' challenges in the establishment of a new social accord, indicating that India's informal labour force is, by and large, touched by modern social security setups. Behrendt et al. (2019) express even more the incapability of the social safeguard frameworks, particularly with regard to the employees on digital platforms. Complexities in labour flexibility in judicial decisions are enlightened upon by Balasubramanian et al. (2023), whose studies speak of discrimination in court judgments fluctuating between worker rights protection and pro-business dynamism. Finally, Das et al. (2015) assess the Contract Labour (Regulation and Abolition) Act and maintain that most of the noncompliance of labour norms is due to its insufficient enforcement.

### **JUDICIAL PRECEDENTS AND ANALYSIS**

The development of Indian law governing contract labour through Supreme Court rulings has variously expanded and curtailed protections under the Contract Labour (Regulation and Abolition) Act, 1970 (the CLRA Act) and similar welfare laws. In *Air India Statutory Corporation v. United Labour Union* (1997), the Court took a bold step in finding that when contract labour is abolished, workers must be absorbed in order to sustain the benefits of prior employment. The emphasis on absorption was somewhat restricted in *Steel Authority of India Ltd. v. National Union Waterfront Workers* (2001) which noted that unless a statutory or contractual condition existed, workers could not assume they would be absorbed just because contract workers had been abolished. In *Hindustan Aeronautics Ltd. v. Workmen* (1975), the Supreme Court rendered a decision that recommended that permanent rights should be afforded to contractors who were

engaged in a perennial activity and who were arguably entitled to 'equal benefits' with permanent employees. The ruling is quite applicable for the core industries of Durg.

Other important cases support constitutional and statutory rights. In *People's Union for Democratic Rights v. Union of India* (1982), the Court found that a failure to pay minimum wages is "forced labour" under Article 23, which corresponds with this Project's finding that nearly a quarter of contract workers in Durg had not received wages on time or had not been given regular increments in wages. In *M.C. Mehta v. State of Tamil Nadu* (1996), which addressed child labour, the Court related employer liability to rehabilitation and welfare issues in addition to the core employment relationship, which extends to the issues of occupational safety and health identified in the survey. And, in *Hussainbhai v. Alath Factory Thozhilali Union* (1978), the Court found that employer-employee relations had to be based on actual control and supervision, which is a crucial protection in situations where numerous layers of contracting can result in complex responsibility.

Finally, *Secretary, State of Karnataka v. Umadevi* (2006) accepted limitations on blanket regularisation of temporary workers while continuing to recognise the need to limit perpetual ad hoc employment, which is consistent with the finding in this research that 75.75% of the workers are temporary. Overall, these cases demonstrate judicial inconsistency in both providing and limiting worker protection, as well as interpreting relevant statutes. Durg's industrial reality is a direct result of this inconsistency in the access workers receive to social security benefits, with 79.25% getting limited access to social security. The statutory framework must respond to the constitutional underpinning of the rights of the worker alongside purposive interpretation of statutory provisions to decrease this inconsistency and achieve equitable welfare outcomes for contract workers.

## **DATA SOURCE AND METHODOLOGY**

The study employs a mixed-method approach: both qualitative and quantitative data. Primary data was collected from surveys and interviews of 800 contract workers in various industrial areas, such as Bhilai Industrial Area (Bhilai Steel Plant - BSP), Hathkhaj Industrial Area, Kumhari Industrial Area, Amleshwar Industrial Area, Rajnandgaon, Tendua, Jamul, Nandini, and Charoda Industrial Areas. The study aimed to verify the objectives and the hypotheses by analyzing the various types of problems facing these workers and the situations in which they operate in the industries. Secondary data encompassed information from government reports, provisions on labour law, and old academic

studies. Some of the key indicators analysed include legal awareness, accessibility of benefits, and employer compliance.

### FINDINGS AND DISCUSSION

Inhabited by inequality and the prolonged instability of work, low remuneration, and undue access to safety measures, these findings reveal that most contract labourers work under precarious conditions. In effect, approximately 75.75% of workers were employed in temporary jobs. Only 1.25% of contract labourers had permanent jobs; this reflects the absence of long-term employment security.

**Table: 01.** Employment Status

No.	Current Employment Status	Number	Percentage (%)
1	Full-time Contract Worker	20	2.50%
2	Part-time Contract Worker	164	20.50%
3	Temporary Worker	606	75.75%
4	Permanent Worker	10	1.25%
5	Unemployed	0	0.00%
	<b>Total</b>	<b>800</b>	<b>100%</b>

**Source:** Collected by the research scholar (2024)

The study also pointed to inequities surrounding working hours, wage increments, and when pay was done. More or less, 95.12% of workers generally worked between certain hours; however, the 4.88% that did overtime were not compensated for such works.

**Table: 02.** Working Hours

No.	Fixed Working Hours at Workplace	Number	Percentage (%)
1	Yes	761	95.12%
2	No	39	4.88%
	<b>Total</b>	<b>800</b>	<b>100%</b>

**Source:** Collected by the research scholar (2024)

Workers that used to be 75.87% entitled to regular salary increases were admittedly subjected to delays or outright denial of pay raises by 24%. On the other hand, health and actuarial conditions were a real issue since 21.38% of contract workers were working without even having the basic safety equipment, like helmets and gloves.

**Table: 03.** Availability of Proper Safety Equipment at Workplace

No.	Availability of Proper Safety Equipment at Workplace	Number	Percentage (%)
1	Yes	629	78.63%
2	No	171	21.38%
	<b>Total</b>	800	100%

**Source:** Collected by the research scholar (2024)

In addition, this exposes 29.25% of workers to a risk of occupational hazards since they do not have any health benefits at their work. Social security benefits were addressed, and 6.38% of labourers had full coverage, 79.25% had partial coverage, while 7.13% had nothing at all.

Lack of awareness about the schemes for welfare provided by the government was another great issue here. Some 34.87% of contract labourers knew nothing regarding the welfare program for labourers, indicating limited reach and application.

**Table: 04.** Access to Healthcare Services at Workplace

No.	Access to Healthcare Services at Workplace	Number	Percentage (%)
1	Yes	566	70.75%
2	No	234	29.25%
	<b>Total</b>	800	100%

**Source:** Collected by the research scholar (2024)

Based on the findings, it was found that contract labourers in the Durg industrial areas are subjected to systemic exploitation in terms of wage discrimination and insufficient job security. Several



workers expressed dissatisfaction with the delays in salary payments, non-existent increments of wages, and lack of safety measures in the workplace. The feeble presence of trade unions at work and low levels of awareness of workers regarding their rights further aggravate the situation. While the study has recognized that labour codes and social security schemes do exist, the implementation of both remains weak. The study has shown that it is common for many workers not to enjoy benefits because of employer high-handedness or bureaucratic bottlenecks.

The large handful of these being temporary or part-time workers therefore stresses the urgent need for better rife of labour protective norms and accountabilities from employers. Meanwhile, improving access to benefits under social security, ensuring implementation of safety measures, and making payment of wages on time are vital for improving the conditions of contract labourers. There is an incessant need for policy interventions in furtherance of strict monitoring of employers' compliance and stronger collective bargaining mechanisms.

### **CONCLUSION**

The research discusses socio-economic challenges faced by contractual labourers in Durg industrial areas. The analysis indicates that large categories of workers lack job security, face wage discrimination, and have little or no access to necessary social security benefits such as health insurance and pensions. Their condition is precarious; for the most part, employment has short-term contracts with little to no workplace safety, and wages are irregular in nature. Hence, the paper underscores the necessity for a stronger framework of labour rights anchored by comprehensive and effective labour law enforcement, accountability on the part of employers, and enhanced provisions for social security toward safeguarding the interests of contractual workers. Also, it is the Government policy-making that must be directed toward paying wages on time, providing decent working conditions, and taking into consideration the full welfare levels of gaps in labour protection. Awareness and legal interventions are hugely needed to empower labourers to stake a legal claim toward their benefits. Sustaining the trade unions and building a strong regulatory mechanism can help a lot toward a fair wage, providing job security, and taking care of occupational safety.

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