

The Social Security Code, 2020: Advancing India's Trajectory Towards A Welfare State

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Introduction

Labour laws have historically aimed to balance the interests of employers and employees, but in modern times, their objective has expanded to promoting the ideal of a Welfare State. A Welfare State is one where the government takes active responsibility for ensuring the well-being of its citizens, especially the working class, through protective measures and welfare schemes. Social security is one of the core pillars supporting the structure of such a State.

The concept of social security gained momentum globally after the Industrial Revolution when rapid industrialization led to harsh working conditions, exploitation, and insecurity for workers. In India, the idea was reinforced by the constitutional commitment to social justice under the Directive Principles of State Policy (DPSP), especially **Articles 38, 39, 41, 42, and 43**. These articles mandate the State to strive for the welfare of its people by securing a just social order and providing various forms of support, particularly for the weaker sections.¹

Historically, India's labour laws were fragmented, with multiple legislations covering different aspects of social security — like the **Employees' Provident Funds Act, Employees' State Insurance Act, Maternity Benefit Act**, etc. However, these laws were often complex, overlapping, and not easily accessible to all categories of workers, particularly those in the unorganised sector.

The government's move to introduce the Social Security Code, 2020 is a major step towards simplifying, consolidating, and rationalizing these laws. It seeks to extend social security benefits to all workers — whether organised, unorganised, gig, or platform workers — marking a shift towards universality. This change is also aligned with international commitments like the **ILO conventions and Sustainable Development**

1 Rajan, R. (2020). The Social Security Code and its Impact on the Indian Economy. *Economic and Political Weekly*, 55(33), 42-47.

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