



# CURRENT AFFAIRS



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## Code on Social Security, 2020

*This article covers "Daily Current Affairs" and the topic details "Code on Social Security, 2020". The topic "Code on Social Security, 2020" has relevance in the International Relations section for the UPSC CSE exam.*

**Relevance of the topic "Code on Social Security, 2020"**

**For Prelims:**

*What is Code on Social Security, 2020?*

**For Mains:**

*GS 3: Indian Economy*

*What is the significance of Code on Social Security, 2020?*

*What are the issues with Code on Social Security, 2020?*

*Way Forward*

**Why in the news?**

The recent strike by the employees of the grocery e-commerce website Blinkit has brought into focus the Code on Social Security, 2020.

The employees of Blinkit are gig workers and on strike because of the change in the payment structure. Earlier they were paid a sum of Rs 25 for one ride which is slashed down to Rs. 15 per ride. This has caused uproar in the community leading them to go on strike.

**What Code on Social Security, 2020?**

The Code on Social Security, 2020, introduced by the Ministry of Labour and Employment, marks a significant milestone in the recognition of gig workers under labour laws. The salient features of the Code on Social Security 2020 are as follows:

- **Definition of Gig Worker:** According to section 2(35) of the Code, a gig worker refers to an individual who performs work or participates in a work arrangement and earns from such activities outside of a traditional employer-employee relationship.
- **Distinction between the platform and non-platform worker:** Moreover, the Code defines platform work as a work arrangement outside of a conventional employer-employee relationship in which organizations or individuals use an online platform to access other organizations or individuals to solve specific problems or provide specific services in exchange for payment. On the other hand, non-platform workers include construction workers and non-technology-based temporary workers.

- **Enhanced coverage of Social Security benefits:** The Code has expanded the social security provisions given to regular employees by encompassing the unorganized sector, fixed-term employees, gig workers, platform workers, inter-state migrant workers, and more.
- **Registration of workers:** The Code mandates the compulsory registration of all gig workers and platform workers to avail of the benefits under these schemes.
- **Social Security Fund:** The Code establishes a Social Security Fund to implement social security schemes and provides uniform definitions to determine wages for social security benefits.
- **Penalties:** The Code imposes stringent penalties for non-compliance.

### **What are the issues with Code on Social Security, 2020?**

While the code made provisions for social security benefits for gig workers it may not be enough. The reasons are as follows:

- The code mandates the Central and State governments to frame suitable social security schemes for gig workers rather than providing specific benefits. As a result, the extent and quality of the benefits received by gig workers may vary depending on the schemes framed by the respective governments.
- The code has defined the various types of new workers types but there is a lack of specific distinction which can lead to overlap and confusion.
- The Code mandates the registration of all unorganised sector workers, it does not provide for any mechanism to ensure that employers comply with this requirement. This may result in some employers not registering their workers, depriving them of social security benefits.
- The Code mandated the creation of a national database of unorganised sector workers has raised concerns about data privacy and security, as such databases can be prone to misuse and breach of sensitive personal information.
- The code has stringent penalties for non-compliance that may disproportionately affect small and medium-sized enterprises (SMEs) and discourage them from hiring workers. This may hamper job creation and economic growth.

### **Way Forward**

The Code on Social Security 2020 is an initiative in the right direction that aims to safeguard the rights of the new category of workers which are not part of the present statutes. There is a need for a collaborative approach by the center and states to bring clarity in the provisions.

**Source:**

<https://prsindia.org/billtrack/the-code-on-social-security-2020>  
<https://www.thehindu.com/news/national/explained-blinkit-protests-and-the-legal-remedies-available-to-gig-workers/article66784224.ece>

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