



Social Security Measures for Informal Workers

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Why in News

Recently, the **Parliamentary Standing Committee** on Labour has released a report on the impact of the **Covid-19 pandemic** on rising unemployment and job loss.

The panel called on the government to improve social security measures and take measures like **Direct transfer of money** and **urban employment guarantee scheme** for informal sector workers.

Social Security

- According to the **International Labour Organisation (ILO)**, Social Security is a comprehensive approach designed to prevent deprivation, give assurance to the individual of a basic minimum income and to protect the individual from any uncertainties.
- It is also comprised of **two elements**, namely:
 - **Right to a Standard of Living** adequate for the health and well-being, including food, clothing, housing and medical care and necessary social services.
 - **Right to Income Security** in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond any person's control.

Key Points

- **Need for Social Security Measures:**

- Citing the **Periodic Labour Force Survey** (PLFS), the report said **90% of workers were in the informal sector**, which is 419 million of the 465 million workers.

Informal workers in rural and urban areas have been hit the most due to the pandemic, because of the seasonality of their employment and lack of formal employee-employer relationship.

- **No survey data are available as yet on the impact of the second wave** which has undisputedly been more severe than the first.
 - However, anecdotal evidence suggests that there would have been **significant income losses particularly in the informal sector**, pushing the vulnerables deeper into crisis.
 - Moreover, the Covid-19 crisis in India has come in the backdrop of pre-existing high and rising unemployment.
- The consequential effects on **loss of jobs, rising unemployment, indebtedness, nutrition, health and education of unorganised workers** and their family members have the potential to cast a long shadow and irreparable damage.

- **Highlights of the Report:**

- The **Ministry of Labour delayed responding to the migrant crisis** when Covid-19 struck.
- The **pandemic has devastated the labour market**, denting the employment scenario and threatening the survival of millions of workers and their families.
- In this scenario, the committee recommended:

- **Direct Benefit Transfer:** Putting money in the bank accounts of the informal workers during adverse conditions like Covid-19.

It also suggests converting loans granted to street vendors under the **PM-SVANidhi Scheme** to direct cash grants.

- **Universal Healthcare:** **Universal healthcare** should be made a legal obligation of the government. This can be provided by mandatory health insurance to informal workers.
- **MGNREGA Reforms:** The budgetary allocation for **MGNREGA** should be increased and an urban jobs guarantee scheme on the lines of the MGNREGA should be implemented.

It suggests increasing maximum days of work guaranteed under **MGNREGA from 100 days to 200.**

- **Enhancing Employment Opportunities:** Leveraging investments into the traditional sectors, strengthening the 'Make in India' mission and intensifying further infusion of technology into various sectors would provide enhanced local and pan-India employment opportunities.

- **Initiatives Already Taken to Support Informal Sector:**
 - Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)
 - Labour Reforms
 - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)
 - PM SVANidhi: Micro Credit Scheme for Street Vendors
 - Atmanirbhar Bharat Abhiyan
 - Deendayal Antyodaya Yojana National Urban Livelihoods Mission
 - PM Garib Kalyan Ann Yojana (PMGKAY)
 - One Nation One Ration Card
 - Atmanirbhar Bharat Rozgar Yojana
 - Pradhan Mantri Kisan Samman Nidhi
 - World Bank Support to India's Informal Working Class
- **Supreme Court Judgement in Welfare of Informal Sector Workers:**
 - **Registration of Migrant Workers:** The SC has directed the Central Government and the State Governments to complete the registration process of unorganized workers so that they can avail the welfare benefits given under various government schemes.
 - **Ruling on ONORC System:** The SC directed all states and Union Territories (UT) to implement the One Nation, One Ration Card (ONORC) system by 31st July 2021.
 - The scheme allows migrant labourers covered under the National Food Security Act (NFSA) to access food at any fair price shop with his or her ration card in any part of the country.

Way Forward

- The Labour Ministry should take up the issue of **timely completion of the PLFS** with the Statistics and Programme Implementation Ministry.
- A **comprehensive plan and roadmap** is required to address the deteriorating condition of employment much aggravated by the pandemic, and widening disparities in the job market in the organised sector.
- There is a need to **develop a national database of unorganised workers**.
- Further, **formalising the sector, increasing its productivity, strengthening existing livelihoods, creating new opportunities and fortifying social security measures** are major thrust areas to mitigate the impact of Covid-19.

Source: IE