



Social Security for Unorganised Workers

For Prelims: e-Shram Portal, Unorganised Sector, Informal economy

For Mains: State of Informal Economy in India and Related Initiatives

Why in News?

The Ministry of Labour & Employment has informed [Rajya Sabha](#) that **more than 28 crore unorganised workers** have been registered on [e-Shram Portal](#) and the government is formulating Social Security Schemes for unorganised Workers.

- It is also reported that, **India is negotiating Social Security Agreements (SSAs)** with the United States and United Kingdom to avoid duplication of Social Security Schemes.

What is SSA?

- SSA is a **bilateral agreement between India and a foreign country** designed to protect the interests of cross border workers.
- The agreement **provides for avoidance of 'double coverage'** and ensures equality of treatment to workers of both countries from a social security perspective.
- Under **detachment or elimination of dual contribution**, employees moving on employment to any SSA country are **exempt from making social security contributions in the host country** for a specified period (specific to each SSA), provided they continue to make social security contributions in their home countries.
- **India has SSAs with** Belgium, Germany, Switzerland, Grand Duchy of Luxembourg, France, Denmark, Korea, the Netherlands, Hungary, Finland, Sweden, Czech Republic, Norway, Austria, Canada, Australia, Japan and Portugal.

What is a Social Security?

- **About:**
 - 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.
- **Elements:**
 - 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.

What is the Need for Social Security Measures?

- Informal workers in rural and urban areas **have been hit the most due to the [Covid-19 Pandemic](#)**, because of the **seasonality of their employment and lack of formal employee-employer relationship**.
 - As per the [Periodic Labour Force Survey \(PLFS\)](#), 90% of workers are in the informal sector, which is **419 million of the 465 million workers**.
- 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.
- India has been witnessing **a steady informalisation of the formal workforce in manufacturing and services**, underlined by the growth of the gig economy. While this informalisation has offered additional income-generating opportunities, the **informality in the arrangement has led to employment increasingly characterised by uncertainty**.
- Less than **half of the informal sector workers have access to any form of risk protection** such as life insurance, health insurance and pensions.

What is Current State of Informal workers in India?

- **Over 94% of 27.69 crore informal sector workers registered on the [e-Shram portal](#)** have a monthly income of Rs 10,000 or below and over 74% of the enrolled workforce belongs to **[Scheduled Castes \(SC\)](#)**, Scheduled Tribes (ST) and **[Other Backward Classes \(OBC\)](#)**.
 - The proportion of the General Category workers is 25.56%.
- The data showed that **94.11% of the registered informal workers have a monthly income of Rs 10,000 or below**, while 4.36% have a monthly income between Rs 10,001 and Rs 15,000.

What are the Related Initiatives for Unorganised Workers?

- **[Pradhan Mantri Jeevan Jyoti Bima Yojana \(PMJJBY\)](#)**:
 - It is a one-year life insurance scheme renewable from year to year offering coverage for death due to any reason.
- **[Pradhan Mantri Suraksha Bima Yojana \(PMSBY\)](#)**:
 - It is a one-year accidental insurance scheme renewable from year to year offering coverage for death or disability due to accident.
- **[Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana \(AB-PMJAY\)](#)**:
 - It is the **world's largest health insurance/ assurance** scheme fully financed by the government.
- **[Pradhan Mantri Shram Yogi Maan-dhan \(PM-SYM\)](#)**:
 - It is a **[Central Sector Scheme](#)** administered by the Ministry of Labour and Employment and implemented through Life Insurance Corporation of India and Community Service Centers (CSCs).
- **[Atal Pension Yojana](#)**:
 - The scheme was launched in May, 2015, with the objective of creating a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector.
- **[National Social Assistance Programme \(NSAP\)](#)**:
 - The Ministry of Rural Development has proposed that the monthly pensions of the elderly poor, disabled and widows should be increased from the current Rs 200 to Rs800 under NSAP.
- **[Garib Kalyan Rojgar Abhiyaan](#)**:
 - The scheme empowers and provide **livelihood opportunities to the returnee migrant workers** and rural citizens who have returned to their home states due to the **[Covid-19 induced lockdown](#)**.

Way Forward

- While the additional benefits offered by these schemes to unorganised sector workers would help, there is **a need to formalise and standardise minimum floor-level provisions for**

unorganised workers akin to those made for formal sector workers in the Code on Social Security.

- 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 are 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: TH](#)

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