



## 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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