

Importance of Enhancing Social Security for Unorganized Sector Workers

Although, the common people working in the organized sector are getting the benefit of these schemes to some extent, but in a developing country like India, where even today about 93% people earn their livelihood in the unorganized sector, they could not get out of the vicious cycle of poverty and are never able to provide basic facilities to their families.

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According to the assessment of the Economic Survey 2021-22, about 93 percent of the total labour force in India, i.e. an estimated 43.99 crore workers, are employed in the unorganized sector. For the purpose of providing social security to them, the Government of India has enacted the Social Security Code 2020. Its objective is to provide social security benefits to workers and labourers working in various organizations in the unorganized sector of the country in situations like illness, maternity, disability. A

provision has been made in this code that the district administration should register all the labourers, workers, temporary workers and platform workers of the unorganized sector and issue them identity cards. Also, Kamgar (Workers) Facilitation Centers should be established which can help them in getting social security facilities from different ministries and departments. Apart from this, there is also a provision to constitute a National Social Security Board to monitor the social security schemes provided for these sections. For this purpose, the Central and various State Governments

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have taken comprehensive, coordinated and consistent steps to reach the weaker sections of the society in the form of cash benefits, advance pension, food rations (as social security assistance), wage protection, food and health services for dependent population. It has taken steps like protection of employment and income for workers (especially those working in the informal sector), health for vulnerable groups like women, elderly, disabled workers, protecting workers accessing essential services & workplaces and frontline workers of health services, protection of businesses especially small and micro enterprises, etc.

No doubt, the Central Government has made many efforts to solve the issues mentioned above but before discussing them in detail, it is necessary to know about the unorganized sectors of the Indian economy. According to the International Labour Organization (ILO), the security which is provided by the society through appropriate organizations to protect its members from certain incidents and risks is called social security. These risks include disease, maternity, disability, old age and death. The term social security was first used in 1935 while passing the Social Security Act in America, and in 1938 it came into discussion in New Zealand. In India, several acts were made from time to time since 1948 to provide social security facilities, such as Employees Provident Fund Act, 1952, Maternity Benefit Act, 1961, Old Age Pension Scheme Ex-gratia Payment Amendment Act, 1984 etc. These were also amended according to the needs of the time. Although, the common people working in the organized sector are getting the benefit of these schemes to some extent, but in a developing country like India, where even today about 93% people earn their livelihood in the unorganized sector, they could not get out of the vicious cycle of poverty and are never able to provide basic facilities to their families. After the current central government came to power

in 2014-15, some important schemes were started to solve the problems of these unorganized sectors. The Pradhan Mantri Jan Dhan Yojana was launched in August 2014 to bring the people, who were deprived of banking facilities till now, into the formal banking sector. The features of the scheme become clear from the table given below:-

Account Accessibility	Pradhan Mantri Jan Dhan Yojana aims to ensure that every household has at least one bank account.
Zero Balance Accounts	Accounts under PMJDY can be opened without the requirement of a minimum balance. As a result, accessing banking services becomes easier for low-income individuals. These accounts offer interest on deposits like a regular account.
Overdraft Facility	Account holders are eligible for an overdraft facility of up to Rs 10,000. This is particularly targeted towards women account holders.
Accident Insurance Cover	Accident insurance cover of Rs 1 lakh is available with RuPay cards issued to account holders in PMJDY. This has been increased to Rs 2 lakh in new PMJDY accounts opened after 28.08.2018.
Direct Benefit Transfer	Delivering the benefits of schemes directly to the accounts of beneficiaries without any intermediary.
Financial Literacy	This scheme focuses on promoting financial literacy among account holders.
Bank Mitras	The scheme appoints Bank Mitras (bank representatives) to increase the reach of the Bank Mitra scheme. These Bank Mitras provide branchless banking services across the country, especially in rural and remote areas.

To provide security cover to workers and labourers in case of death and disability, 'Pradhan Mantri Jeevan Jyoti Bima Yojana' was launched in 2015, which is a term insurance plan in which after investment, if the policy holder dies due to any reason or becomes disabled, then his family gets Rs 2 lakh, but in any term plan, if

e-SHRAM

CSCs TO REGISTER UNORGANISED SECTOR WORKERS

UNORGANISED SECTOR WORKERS INCLUDE:

- CSCs (not paying tax)
- NGRREGA Workers
- ASHA & Anganwadi Workers
- Rikshaw pullers
- Small and Marginal Farmers
- Agricultural laborers
- Share croppers
- Fishermen
- Animal husbandry workers
- Beedi rolling workers
- Labelling and packaging workers
- Building and construction workers
- Weavers
- Carpenters
- Salt workers
- Brick kiln and stone quarry workers
- Saw mill workers
- Midwives
- Domestic workers
- Barbers
- Vegetable and fruit vendors
- Newspaper vendors
- Auto drivers
- Sericulture workers
- Tannery workers
- House Maids
- Street Vendors
- Milk Pouring Farmers
- Migrant Workers



the person taking the policy survives till the completion of the policy period, then he does not get any benefit. Its biggest feature is that its annual premium is only Rs 436, this amount is taken from the account of the insured person through ECS. No medical examination is required in this insurance scheme. Term plan can be taken till the age of 50 years, although the minimum age to take a term-plan is 18 years. While initially 2.96 crore people were associated with it, by August 2024, 16 crore people have been covered under it. Similarly, by paying just Rs 20/- annual premium in 'Pradhan Mantri Suraksha Bima Yojana', insurance cover of Rs 2 lakh on death and Rs 1 lakh on disability is given. People between the age of 18-70 years can avail this benefit. So far 34 crore people have been covered under it. Not only this, even if the beneficiary has income tax liability, the sum assured up to Rs 1 lakh is not taxed under Section 10 (D) of the Income Tax Act. As far as 'Atal Pension Yojana' is concerned, any Indian citizen in the age group of 18-60 years can join this scheme, just he should have a bank account. After the age of 60 years, five guaranteed pension slabs of Rs 1000, Rs 2000, Rs 3000, Rs 4000 and Rs 5000 have been made available for the customers. There is a provision for pension to be given to the wife in case of the death of the person investing and to the children in case of the death of the wife. People who come under the purview of income tax, are in government jobs or are already taking benefit of schemes like EPF, EPS cannot become a part of 'Atal Pension Yojana'. The co-contribution of the Government of India is available for 5 years from financial year 2015-16

to 2019-20 to those subscribers who have joined this scheme during the period from 1 June 2015 to 31 March 2016. According to the latest data, more than 55 crore people from all the States/Union Territories of India have joined these three schemes. Another similar pension scheme 'Pradhan Mantri Shram Yogi Maan-Dhan' was announced in the Union Budget presented in July 2019. The latest available figures show that so far 45,41,099 workers have been connected with this scheme in 36 states/UTs of the country. This scheme, which came into effect from 5 February 2019, provides benefits to domestic maids, drivers, plumbers, cobblers, tailors etc. who do household work and do not have any source of income after the age of 60. To join this mega pension scheme, the monthly income of the worker working in the unorganized sector should not exceed Rs 15,000. The eligible person should have a savings bank account and Aadhaar number. There is a provision of minimum monthly pension of Rs 3,000. This pension will be given to the beneficiary after the age of 60 years. If the subscriber wishes to exit the scheme within 10 years from the date of joining, then only his share of contribution will be returned to him at the interest rate of savings bank. If the member dies due to any reason, the spouse will have the option to continue the scheme. For this, one has to make regular contributions. After the death of the subscriber, his children will not be entitled to get pension benefits. Increasing the scope of social security, the central government launched the 'Pradhan Mantri Laghu Vyapari Maandhan Yojana' in Ranchi in 2019. To join this scheme, the age of the businessmen

Employees' State Insurance Corporation

ESIC is a government organisation that manages the **Employees' State Insurance (ESI)** scheme. The scheme basically provides **medical** and **financial assistance** during physical distress to the employees and their families.

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MINISTRY OF LABOUR & EMPLOYMENT
GOVERNMENT OF INDIA

CSC

BENEFITS OF REGISTRATION IN e-SHRAM

A national database of unorganised sector workers

Registered unorganised worker to get e-SHRAM card having UAN number.
e-SHRAM card is valid through out the Country



Benefits of Registration

- Unorganised sector workers will get benefits of social security & welfare schemes
- With registration in e-SHRAM, workers will get benefit of PMSSY for 1 year (Rs.2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability)
- This database will help government in making special policies & schemes for unorganised workers
- It will help track migrant labour workforce & provide them employment opportunities

CSC to register 38 crore unorganised sector workers on e-Shram

must be between 18 to 40 years. Small shopkeepers will get the benefit of this scheme only after the age of 60 years.

As far as the organized sector is concerned, the pension schemes of government employees that have been running for decades may not be running now, but the National Pension System (NPS) was started from 1 January 2004 to include employees who joined government service after 2004. This pension scheme for private sector employees was started in 2009. Recently, on 24 August 2024, the Government of India has launched the Integrated Pension Scheme under which 23 lakh employees of the Central Government will get benefit. In this scheme to be implemented from 1 April 2025, the employee's contribution will be 10% of the basic salary while the employer's contribution will be 18.5%.

Similarly, a comprehensive scheme named 'Ayushman Bharat' was launched to provide health and maternity benefits, under which health insurance of up to Rs 5 lakh per family is given to them and they are given the facility of treatment in good hospitals. A good initiative by the Central Government on 11 September has been taken by including all the elderly above 70 years of age in this scheme. The latest figures show that 45 crore families will get benefits under this scheme, out of which 6 crore are senior citizens.

The 'One Nation-One Ration Card' scheme launched under the National Food Security Act is a commendable effort by the government in itself. Mahatma Gandhi

Weaver Scheme is being run to provide insurance facility to handloom weavers, under which weavers are given insurance cover in case of natural or accidental death or complete or partial disability. 'Pradhan Mantri Kaushal Vikas Yojana', run on the principle of 'instead of feeding fish to the hungry, teach them to catch fish', is an excellent scheme. MNREGA has also proved to be a milestone for the workers of the unorganized sector. The amount of Rs 86000 crore allocated for MNREGA in the Union Budget 2024 shows the serious thinking of the government towards uplifting the workers of the unorganized sector.

Apart from these, ESI scheme is run by ESIC, which covers all such factories and other business establishments in which 10 or more employees work and whose monthly salary is less than Rs 21,000. At present, about 3.5 crore people are insured under this scheme and there are about 13.3 crore total beneficiaries. All the members of the family dependent on the member employee are the beneficiaries of the ESI scheme. Under this scheme, the member employees and beneficiaries get the benefit of health services from the very first day. Apart from this, in case of death of the employee at the workplace, the dependent member also gets pension. In February 2020, ESIC decided to amend the Employees State Insurance Corporation (General) Regulations-1950 and set up a local committee in every notified district. On July 23, 2019, the Occupational Safety, Health and Workplace Conditions Bill, 2019 was introduced in the Lok Sabha by the Minister of Labour

₹ UNION BUDGET 2024-25

राष्ट्रीय सेवा योजना National Service Scheme

Labour Reforms



- E-shram portal to be integrated with other portals to provide one-stop labour services solution; will include mechanism to connect job-seekers with potential employers and skill providers
- Shram Suvidha and Samadhan portals to be revamped to enhance ease of compliance for industry and trade



and Employment. This code makes special provisions for factory, mine and building and construction workers by repealing 13 labour laws related to safety, health and working conditions.

Undoubtedly, the government deserves big applause for these schemes being run in the interest of the unorganized sector, but after passing of so many years, it is necessary to take stock of their progress. So, let us now discuss how effective these schemes have proved to be in fulfilling their purpose? If we look at PMJDY, accounts were opened but the ground reality is that even today the deposits in most of these accounts

are very low or negligible. On the other hand, during the demonetization of 2016, these accounts were also misused on a large scale to deposit black money. If we look at PMJJBY, the insurance companies seem to be indifferent to implementing these schemes because the premium in these schemes is very low. The scope of PMSBY is quite large but it does not include situations of natural death, pre-existing diseases, war, riots etc. To face these challenges, the Government of India has established 'Common Service Centres', in rural areas where workers in the unorganized sector are helped to avail the benefits of all the public welfare schemes of the government. To cover as many eligible members as possible in social security schemes, the government has expanded the scope of schemes run by ESIC and included workers working in the construction sector and other industries in them. In fact, lack of awareness, low enrollment, limited coverage and inadequate funding are the major challenges in the implementation of these social security schemes. Today there is a need for universal social security schemes that are all-inclusive, practical, easy to implement and for this, the government along with all other stakeholders need to work together with innovative thinking. Only then the overall development of the country will be sustainable. □