

SOCIAL SECURITY COVERAGE SCHEME FOR WORKERS IN UNORGANIZED SECTOR

Hem Chander*
Dr. Dileep Singh **

ABSTRACT

India is a dynamic country and nearly 70% percent population worked in the self employed and home-based industry in the unorganized sector. Despite the large part of labour economics in unorganized sector, the major problem of safety and security issues are regulated in all types of workers on workplace. The largest share of engaged labour force in unorganized sectors scared for future contingency, disability, accidents, illness and security of life. The Government of India has announced various schemes for social security coverage in unorganized sector under the Social Security Act, 2008.

KEYWORDS: Social Security Schemes, Unorganized Sector, Social Security Act, 2008.

Introduction

Unorganized Sector

The term unorganized sector is used to denote the aggregate of economic units engaged in the production of goods and services with the primary objective of generating employment and income to the persons engaged in the activity. These units are typically small and family business enterprises. The unorganized sector includes casual or seasonal nature of employment due to inadequate or irregular employment, which is not covered by any of other legislation mentioned in schedule-II to this Act.

The First National Commission on Labour, under the chairmanship of Justice Gajendragadkar, defined the unorganized sector as that part of as the workforce who have been able to organize in pursuit of a common objective because of constraints such as:

- casual nature of employment;
- ignorance and illiteracy;
- small size of establishment with low capital investment per person employed;
- scattered nature of establishments, and
- superior strength of the employer operating singly or in combination.

The commission listed illustrative categories of unorganized sector: These are:

- contract labour including construction workers;
- casual or seasonal labour;
- labour employed in small scale industry;
- handloom or craft workers;
- beedi and cigar workers;
- employees in shops and commercial establishment;
- workers in tanneries
- other unprotected labour.”

* Research Scholar, Department of Business Administration, Faculty of Commerce, University of Rajasthan, Jaipur, Rajasthan, India.

** Associate Professor, Department of Business Administration, Faculty of Commerce, University of Rajasthan, Jaipur, Rajasthan, India.

Social Security

Social Security may be defined as any programme of social protection established by legislation, or any other mandatory arrangement, that provides individual with a degree of income security when faced with the contingencies of old age, disability due to accident, unemployment, sickness and poor health. William Beveridge has defined social security as “the security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through old age, to provide against loss of support by death of another person and to meet exceptional expenditure connected with birth, death, or marriage. The purpose of social security is to provide an income up to minimum and also medical treatment to bring the interruption of earnings to an end as soon as possible.” The social security problems of workers in the unorganized sector may be divided into two sets of problems. The first one arises out of deficiency or capability deprivation in terms of inadequate or irregular employment, lower income, poor health and educational status and so on that are related to the generalized deprivation of poorer sections of the population. The second arises out of adversity in the sense of absence of adequate (safety nets) to meet such contingencies as ill health, accident, death and old age.

Social Security Coverage Scheme for Workers in Unorganized Sector

In order to provide social security benefits to workers in the unorganized sector, the government has enacted the Unorganized Workers' Social Security Act, 2008. The Social Security Act, 2008 stipulates formulation of suitable welfare schemes for unorganized workers on matters relating to: (i) life and disability cover, (ii) health and maternity benefits, (iii) old age protection and (iv) any other benefit as may be determined by the Central Government through the National Social Security Board. Various Schemes, formulated by the Government to provide social security cover to the unorganized worker, listed in the Schedule I of the above Act are as under:

- Ñ **Indira Gandhi National Old Age Pension Scheme:** (Ministry of Rural Development) is a non-contributory old age pension scheme that covers Indian citizen who are 60 years and above live hood below in poverty line. This pension scheme is a part of the National Social Assistance programme (NSAP) that was launched by the Ministry of Rural Development in August, 1995.
- Ñ **National Family Benefit Scheme:** (Ministry of Rural Development) is a national social assistance programme. The Central Government assistance is given in the form of lump sum family benefit for households below the poverty line on the death of the primary breadwinner in the bereaved family. The amount of benefit is Rs. 10000/- in case of death of primary breadwinner due to natural or accidental causes. The family benefit is paid to such surviving member of the household of the deceased who, after local inquiry is determined to be the head of the household.
- Ñ **Janani Suraksha Yojana:** (Ministry of Health and Family Welfare) is a social security scheme for women was launched on 12 April 2015 by the Prime Minister of India. It aims to decrease the neo-natal and maternal deaths happening in the country by promoting institutional delivery of babies. It is a 100% central government sponsored scheme it aims to provide cash assistance for delivery and post-delivery care of women. The success of the scheme would be determined by the increase in institutional delivery among the poor families.
- Ñ **Handloom Weavers' Comprehensive Welfare Scheme.** (Ministry of Textiles) Government of India has been implementing Handloom Weavers Comprehensive welfare Scheme for Handloom Weavers with the following two components:
 - **Mahatma Gandhi Bunkar Bima Yojana (MGBBY):** the main purpose of Mahatma Gandhi Bunker Bima Yojana is to provide Insurance cover to handloom weavers in case of natural death (Rs. 60,000/-), accidental death (Rs. 1, 50,000/-, total disability (Rs. 1, 50,000/-) and partial disability (Rs. 75,000/-). In addition to above, a scholarship of Rs. 300/- per quarter per child is available to students studying in standards IX to XII, for a maximum period of four years or till they complete XII standard, whichever event occurs earlier. The benefit is restricted to two children of the member covered.
 - **Health Insurance Scheme:** In 12th Five Year Plan, the Government of India approved implementation of Health Insurance Scheme on the pattern of Rashtriya Swasthya Bima Yojana (RSBY) of Ministry of Labour Employment. Rashtriya Swasthya Bima Yojana (RSBY) has been transferred to Ministry of Health & Family Welfare w.e.f. 1st April 2015. Ministry of Health & Family Welfare has issued detailed instructions on 29th March,

2016, for coverage of handloom weavers in RSBY for 2016-17, in the existing pattern of RSBY, i.e. Indoor Patient (I.P.) benefits of Rs. 30,000/-.

¶ **Aam Admi Bima Yojana.** (Department of Financial Services) is a social security assistance scheme for rural landless household was launched on 2nd October 2007. Under this scheme the head of the family or one earning member in the family of such a household is covered. The contribution of premium Rs. 200/- per member per annum is shared equally by the Central Government and the State Government, so the insured person has to pay no premium. The member should be aged between 18 and 59 years. The benefits under this scheme are as follow:

- On natural death Rs. 30,000/-.
- On death due to accident/ on permanent total disability due to accident (loss of 2 eyes or 2 limbs) : Rs. 75000
- On partial permanent disability due to accident (loss of one eye or one limbs); Rs. 37,500/-

¶ **National Scheme for welfare of Fisherman and Training and Extension.** (Department of Animal Husbandry, Dairying & Fisheries) The national scheme for welfare of fishermen envisaging to provide financial aid to fishers for construction of house, community hall for recreation and common working place and installation of tube-wells for drinking water lean period through saving cum relief component.

The Central Government has also launched following three schemes for all citizen targeting unorganized workers to provide them comprehensive social security:

- **Atal Pension Yojana (APY):** Under the APY subscribers would receive a fixed minimum pension at the age of 60 years, depending on their contributions, which itself would vary on the age of joining the APY. The Central Government would also co-contribute 50 percent of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years, who are not members of any statutory social security scheme and who are not Income Tax payers. The pension would also be available to the spouse on the death of the subscriber and thereafter, the pension corpus would be returned to the nominee. The minimum age of joining Atal Pension Yojana is 18 years and Maximum age is 40 Years. The benefit of fixed minimum pension would be guaranteed by the Government.
- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):** Under PMJJBY, life insurance of Rs. 2 Lakh would be available on the payment of premium of Rs. 330 per annum by the insured persons. The scheme will be made available to people in the age group of 18 to 50 years having a bank account from where the premium would be collected through the facility of “auto-debt”.
- **Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Under PMSBY, risk coverage will be Rs. 2 Lakh for accidental death of total disability and Rs. 1 Lakh for partial disability on the payment of premium of Rs. 12 per annum. The scheme will be available to people in the age group of 18 to 70 years with a bank account, from where the premium would be collected through the facility of “auto-debt”.

The “Unorganized workers social security Act, 2008” came into operation w.e.f 31 December 2008 and it's include ten social security schemes benefitting the unorganized workers. Details Beneficiaries of social security schemes listed under Schedule –I of the unorganized workers social security act, 2008 are given below:

S. N.	Name of the Scheme	No. of Beneficiaries
1	Indira Gandhi National Old Age Pension Scheme (as on 31-03-2015)	2,08,33,673
2	National Family Benefit Scheme (as on 31-03-2015)	1,75,392
3	Janani Suraksha Yojana (as on 31-03-2016)	1,04,16,164
4	Handloom Weavers' Comprehensive Welfare Scheme & Mahatma Gandhi Bunkar Bima Yojana (as on 30-09-2016)	69,475
5	Handicraft Artisans' Comprehensive Welfare Scheme (as on 31-03-2014)	9,66,280
6	National Scheme for Welfare of Fishermen, Training & Extension (as on 31-0-2015)	52,34,799
7	Janshree Bima Yojana and Aam Aadmi Bima Yojana (as on 10-08-2015)	5,03,07,950
8	Rashtriya Swasthya Bima Yojana (as on 31-03-2015)	3,56,28,048
9	Atal Pension Yojana (as on 20-07-2016)	30,46,055

Source: Press Release of Ministry of Labour and Employment Dated 23 November, 2016.

Conclusion

The present study reveals the social security coverage scheme for workers in unorganized sector execute by central government. The central government is more seriously reducing a high level of risk of uncertain contingency problems of earned lower income person engaged in unorganized sector. The government should get the confidence of the living below poverty line people to protect them uncertain contingencies so that they can happily contribute towards social security benefits.

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