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## Social Insecurity in Unorganised Sector

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**Abstract:** *It is well known that the informal sector in India is characterized by the absence of social security provisions for the workers who are employed in it. 109.6 million people, which is approximately 75% of the workforce, are working in the informal sector of the economy that is not related to agriculture. This is a cause for concern. When considered in the context of agriculture, this percentage rises to ninety percent of the workforce. In the informal sector, the gig economy employed 7.7 million workers during the 2020-21 fiscal year, and it is anticipated that by the 2029-30 fiscal year, it will employ 23.5 million workers, which is equivalent to 2.35 crore. Taking into account the anticipated growth of the gig economy, it is highly probable that the informal sector will experience a surge in population unless appropriate measures are taken to formalize and regulate it.*

**Key words:** Social Insecurity, Unorganised Sector, social security provisions, gig economy.

As a result of the absence of social security plans, workers in the informal sector, who are responsible for 45 percent of the nation's gross domestic product, are more likely to be exploited within the sector. The severity of this situation was brought into stark relief during the COVID-19 pandemic, when thousands of workers in the informal sector traveled from state to state due to lockdowns. This brought to light the vulnerability of workers in the informal sector as well as the inherent instability that is present within this sector. A lack of success in the efforts made by the government was brought to light by the fact that the difficulties of managing policy in the informal sector were highlighted. It is possible to attribute this deficiency to the absence of data concerning the informal sector, which hinders the implementation of schemes and limits their accessibility to workers. The challenges that are faced by informal and contractual workers in the country have been brought to light by the repeated strikes that have been carried out by the informal sector. These strikes have been made in response to abrupt wage reductions and exploitation on various online platforms over the course of several years.

**Obligations and Restrictions Placed on Employment** - A fundamental question that needs to be answered is who should be responsible for ensuring the health and safety of workers who are not employed by the government. Does it fall under the purview of the government, or does it fall under the purview of employers?

Before we can address this issue, we need to first gain an understanding of the financial resilience of employers. Despite the fact that larger platforms and organizations that use gig workers might have the financial capacity to support workers through public-private initiatives such as the new transaction-based pension system, the micro, small, and medium-sized enterprises (MSME) and agricultural sectors do not have the same level of resilience. The pandemic had a significant impact on the micro, small, and medium-sized enterprise (MSME) sector in the year 2020. Revenues for fifty percent of these companies dropped by twenty-five percent, and approximately sixty-seven percent were forced to temporarily halt all activities for a period of three months or longer. According to the results of a survey that was carried out by the All India Manufacturers' Association (AIMO), one-third of self-employed individuals and small to medium enterprises do not see any prospects for recovery and are on the verge of closing their doors. It is noteworthy that 99% of these entities are classified as micro-enterprises.

The fact that this is the case demonstrates the sector's high degree of vulnerability and its lack of financial robustness. It is possible that many companies operating within this sector do not



have the capability to provide social security benefits to their employees, which is why the government must take action.

**Social Security Programs That Are Already in Place** - As a component of the new labor codes that were enacted in the year 2020, the government introduced the Social Security Code (SSC, 2020) with the intention of enhancing the efficiency of social security program. By extending the provisions that are already in place to include workers who fall into the categories of contract and platform workers, this piece of legislation represents a significant advancement for these types of workers. Previously, the Unorganized Workers' Social Security Act of 2008 (UWSSA) worked as the primary piece of legislation; however, it did not include platform or contract workers within its purview of coverage. In addition, the code additionally classified workers in order to facilitate the accurate identification of initiatives and the efficient implementation of those initiatives.

There are a number of important initiatives that are currently being carried out in order to accomplish the goals of SSC, 2020. These include the Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), which is a life insurance programme that is renewed annually and provides coverage of ₹ 2 lakh; the Pradhan Mantri Suraksha Bima Yojana (PMSBY), which provides the same coverage for accidental death or disability; the Pradhan Mantri Matru Vandana Yojana (PMMVY), which provides maternity assistance in the form of direct cash transfers of ₹ 5000; the Pradhan Mantri Jan-Aarogya Yojana (PMJAY), which provides enrolled families with health insurance coverage of ₹ 5 lakh; and pension schemes like the Atal Pension Yojana and the Pradhan Mantri Shram Yogi Maandhan Yojana, which are designed to provide financial support and establish security nets.

**The Vision of the E-Shram** - Another significant step forward in the implementation of policy was brought about as a result of a petition that was submitted to the Supreme Court of India. The petition brought attention to the lack of comprehensive data on workers in the informal sector in Mumbai. In the year 2021, the Supreme Court issued an order to the Ministry of Labour and Employment (MoL&E) to create the e-Shram database for workers who are not organized. Over the course of time, this portal has successfully registered a total of 290 million workers. It is integrated with the National Career Services (NCS) portal, the Pradhan Mantri Shram Yogi Maandhan (PM-SYM) program, and twelve other initiatives that are sponsored by the central government. Despite this, the goal of this portal, which is to provide social security for workers who are not directly employed, has not been achieved to a significant extent. In spite of the fact that it has the potential to be more than just a database, it has been reduced to nothing more than a means of efficient execution.

**Concerns Regarding the Implementation of Schemes for India's Informal Sector: Conversations Regarding the Way Forward**

In light of the expansive range of workers in the informal sector, which includes contract and platform workers, agricultural laborers, and workers in micro, small, and medium-sized enterprises (MSMEs), policy modifications to establish sustainable social security protections for the informal sector may adopt an all-encompassing approach. Additionally, this industry is comprised of a diverse range of demographic groups, all of which need to be taken into consideration when making decisions regarding policy.

The fact that e-Shram is dependent on mobile numbers that are linked to Aadhaar presents a significant obstacle to the successful implementation of the program. This is especially true in terms of identification and access. The process of registering for and gaining access to employee benefits can be challenging for a significant number of workers who do not have personal phone numbers or who share a mobile device with members of their family. Because of this, the process of linking Aadhaar with phone numbers will be simplified and authenticated, which will result in the resolution of these issues and ensure that access to social security benefits is as smooth as possible.





Common Service Centres (CSCs), which are already essential in registering workers on the e-Shram portal, can also be effectively employed to promote awareness of accessible social security benefits for individual workers. This is because many workers lack sufficient knowledge of eligibility criteria, which leads to low enrollment rates. Artificial intelligence (AI) can also be used to promote awareness of these benefits. Artificial intelligence can also be used to evaluate the credentials of workers in comparison to the criteria for each scheme. This creates the opportunity for a greater number of workers to gain access to the benefits that are most suitable for them and for which they are eligible.

An opportunity for public-private partnership was presented in the Union Budget 2025, which included the implementation of a transaction-based pension plan. Using this initiative as a foundation, the government may take into consideration the possibility of employer-government contributions for gig workers. This is because larger platforms that employ gig workers may have the ability to allocate budgets to provide such benefits.

With the implementation of age eligibility criteria that are both inclusive and up-to-date, it would be possible for a greater number of workers to take advantage of the services provided by government programs if age restrictions were modified in certain programs. e-Shram registrations, for instance, are open to workers between the ages of 16 and 59; however, given that workers in the informal sector frequently do not receive retirement benefits, they are frequently required to continue working after the age of 59. As a result, they, who are a group that is extremely vulnerable, are effectively excluded from the range of benefits that e-Shram offers. In spite of the fact that the Pradhan Mantri Suraksha Bima Yojana (PMSBY) allows enrollment for individuals up to the age of seventy, other programs ought to also adopt this strategy in order to improve their efficiency. In a similar vein, the Pradhan Mantri Jan Arogya Yojana (PMJAY) is yet another program that has its benefits limited because the age requirements for eligibility are not clearly defined. Individuals who are younger than 70 years old are required to fulfill particular requirements that are based on the Socio-Economic Caste Census (SECC). However, senior citizens who are 70 years old or older are eligible for this program regardless of their income or socio-economic background that they come from. The SECC data, on the other hand, which is derived from statistics from 2011, is out of date and does not offer an accurate representation of the socio-economic conditions that exist today. In a nation where the average life expectancy for men is 69.7 years and for women it is 72 years, this is especially concerning because individuals require access to affordable healthcare beginning at a younger age as well.

Only women who are at least 19 years old are eligible to receive the benefits that are offered by the Pradhan Mantri Matru Vandana Yojana. Despite the fact that this seems to be a justifiable decision, the program runs the risk of excluding young mothers, who are a demographic that is extremely vulnerable, from its coverage. In light of this, a careful reassessment of these criteria will, in the long run, prove to be beneficial for workers.

**Concluding remarks** - Through the implementation of these specific policy interventions, the government is able to establish a social security framework that is both more comprehensive and inclusive. These measures would provide a significant lifeline to informal workers and ensure that they are not abandoned in an economy that is heavily dependent on their contributions. This is because the informal sector continues to be an essential component of the economy.

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