



# DAILY EDITORIAL ANALYSIS

TOPIC

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**TOWARDS UNIVERSAL SOCIAL SECURITY:  
MOVING BEYOND FRAGMENTED  
APPROACHES FOR WORKERS**

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## TOWARDS UNIVERSAL SOCIAL SECURITY: MOVING BEYOND FRAGMENTED APPROACHES FOR WORKERS

### Context

- **India's social security framework** has long been criticized for its fragmented approach, particularly in addressing the needs of informal workers, and highlighting the need for a comprehensive and universal social protection system.

### About the Social Security

- It is a crucial aspect of economic and social policy aimed at providing financial and social protection to the country's diverse population.
- It is primarily delivered through government initiatives, employer-based benefits, and social insurance programs.
- **Social protection** is a recognized **human right**, essential for achieving the Sustainable Development Goals (SDGs).
  - ♦ **Goal 1 of the SDGs** aims **to end poverty by 2030** through national social protection systems, ensuring the coverage of vulnerable groups.

### Global Perspective and Sustainable Development

- India's Universal Social Security aspiration resonates with **ILO's Social Protection Floors Recommendation**, which calls for:
  - ♦ Basic income security;
  - ♦ Access to essential health care;
  - ♦ Extension to informal economy;
- **Article 22 of the Universal Declaration of Human Rights**: It emphasizes social security as a fundamental right.
- India's efforts are significant, though still evolving compared to models in countries like **Brazil (Bolsa Familia)** or **South Africa (social pensions)**.

### Current Challenges in Social Security

- **Fragmented Framework**: Social security in India is often tied to formal employment, leaving **informal workers excluded or disadvantaged**.
  - ♦ Welfare boards, which are central to the distribution of benefits, have faced significant inefficiencies and underutilization of funds.
- **Gig Workers and Emerging Categories**: The rise of gig workers has prompted new schemes, such as health coverage under Ayushman Bharat and transaction-based pension policies.
  - ♦ However, these measures remain reactive, addressing challenges only when new worker categories emerge.
- **Implementation Gaps**: Reports reveal delays in remittance payments and underutilization of welfare funds, such as the 70,744.16 crore collected for construction workers.
  - ♦ Even states with strong welfare records, like Kerala, have struggled with the effective functioning of welfare boards.
- **Underestimation of Coverage**: The ILO report **does not account for in-kind benefits** like food security and housing or state-administered schemes.
  - ♦ The actual coverage is expected to be higher once these factors are included.
- **Low Coverage in the Unorganized Sector**: Over 90% of India's workforce is in the unorganized sector, yet only a small fraction benefits from social security schemes.

- **Challenges in Implementation:**

- ♦ **Fragmentation:** Multiple welfare schemes, managed by different departments.
- ♦ **Identification:** Lack of a single unified worker registry (eShram helps but incomplete).
- ♦ **Funding Gaps:** Limited fiscal allocation for full-scale universal coverage.
- ♦ **Portability:** Migrant workers lack portability across states.
- ♦ **Awareness:** Many workers are unaware of entitlements.

### India's Universal Social Security Vision

#### Legal Framework

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Maternity Benefit Act, 1961;
- Unorganized Workers' Social Security Act, 2008;

- It emphasizes inclusion of *Unorganized sector workers (~90% of workforce); Migrant workers; Gig and platform economy workers (e.g., Swiggy, Uber); Women workers; and Senior citizens without pensions.*

### Social Security Code, 2020

- It **consolidates nine central labor laws** into one unified legislation, as an umbrella scheme.
- It mandates the **creation of a National Social Security Board** to recommend suitable schemes for different classes of workers, including gig workers and the self-employed.
- It covers a broad spectrum: *Provident Fund; Employee State Insurance; Gratuity; Maternity Benefit; Social security for gig and platform workers; and Welfare for unorganized workers.*

Schemes Under the Umbrella		
Scheme	Target Group	Benefit
PM-SYM (Pradhan Mantri Shram Yogi Maan-dhan)	Unorganized workers	Pension of 3,000/month after age 60
e-Shram Portal	All informal workers	UAN-linked central database for welfare access
Atal Pension Yojana	All citizens (mainly unorganized)	Defined pension scheme
ESIC (Employees' State Insurance)	Formal Workers; Now extended to gig workers	Health, maternity, disablement benefits

### Need for a Universal Social Protection System

- **Proactive Approach:** India must reimagine its social security framework to address the precarious nature of informal work comprehensively.
  - ♦ A universal system would ensure protection for all workers, regardless of their employment type or sector.
- **Integration of Targeted Relief:** Combining universal social protection with targeted support for specific worker categories can address unique challenges while ensuring inclusivity.

- **Alignment with Global Standards:** As a founding member of the ILO, India should ratify the **Social Security (Minimum Standards) Convention, 1952**, to establish basic social security principles.

### Recent Expansions in Social Security

- **Extending Benefits to Gig and Platform Workers:** Under the **social security umbrella** through platforms like **e-Shram** and the **Social Security Code 2020**.
- **Digital and Financial Inclusion:** The **Jan Dhan-Aadhaar-Mobile (JAM) Trinity** has strengthened the delivery of welfare benefits, ensuring direct benefit transfers (DBT) to beneficiaries, reducing leakages, and improving transparency.
- **Ration Card Portability under 'One Nation, One Ration Card' (ONORC):** It enables migrant workers to access subsidized food grains anywhere in India.
- **Strengthening Healthcare and Insurance for Informal Workers:** The government has been pushing for the inclusion of informal workers in health schemes, ensuring access to PM-JAY and ESIC facilities.

### Conclusion

- Relying on piecemeal approaches to social security risks leaving vulnerable workers behind and creating inequities between different categories of informal work.
- By adopting a universal and inclusive social protection system, India can ensure the dignity and well-being of its workforce while fostering sustainable economic growth.

Source: TH

### Mains Practice Question

**[Q]** How can India move beyond fragmented social security measures to establish a universal and inclusive protection system for all workers, ensuring financial stability and dignity?