

70 Years of Independence

Special Feature – I-Day 2017

Governance Reforms Bring Big Relief to Working Class



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Reforms in governance have completely changed the scenario for the working class in the country. Till few years back workers had to make endless trips to Employees Provident Fund (EPF) offices to get their EPF savings at the end of their career. EPF pensioners had to wait for months to get their pension payments started. Managements treated compliance of necessary registers a big burden. At Employees State Insurance (ESI) dispensaries, specialist consultations were difficult to get. Paper work at employment exchanges kept most job aspirants away from registering for work.

The workers faced uncooperative staff and vague regulations whenever they sought legitimate withdrawals from their EPF accounts for medical treatment, marriage of children or housing finance. Transparency in records was not maintained and there was scope for discretion and arbitrary functioning.

In the last three years, the Labour Ministry initiated exhaustive reforms to minimise age-old grievances of workers. The Labour Minister, Mr Bandaru Dattatreya, has assured that even 40 crore workers in the unorganized sector will be covered under social security schemes like EPF and ESI. Ending years of near paralysis of decision-making, the Labour Ministry is now taking quick decisions, and not a single week goes without some positive benefit to the working class. Mr Dattatreya has stated that poverty eradication, employment generation and reducing inequality formed the core of India's development strategy.

Initiating a series of new initiatives, the Labour Ministry issued orders to reduce the EPF claim settlement period from 20 days to 10 days. This was unthinkable earlier. Not only there was earlier lack of clarity about the maturity amount, the EPF subscribers had to go through a punishing experience to get their own savings back. Similarly, grievances were almost impossible to register

or to get them redressed. Now, the grievance redressal period, after repeated reductions, has been brought down from 20 days to 15 days.

EPF members now require to submit only a self-declaration for advance in case of illness of members or dependants. A member is no longer required to submit any medical certificate or any other certificate or document or proforma whatsoever to avail advances.

To quicken pension payments, and to bring some order in the system, the EPFO has made linkage with Aadhaar mandatory. All field offices are directed to ensure that Aadhaar Number is furnished by the employer in respect of all new members who join the Employees Pension Scheme (EPS), 1995 from 1st July, 2017. The existing pensioners have already gone through the process of Aadhaar linkage and received their Digital identities. This will ensure payments with clarity and pension disbursement banks will have all necessary data about the EPS beneficiaries, leaving no scope for delays or excuses.

For quick transfer of funds, the Ministry of Labour & Employment issued orders in May, 2017 for electronic or digital fund transfer and payment of EPF benefits, pension disbursement and insurance claims. This move is likely to benefit 4.5 crores EPF subscribers and around than 54 lakh pensioners.

A major development has taken place to help workers realize their dreams to own a house of their own. Employees could withdraw from their EPF savings for housing earlier also. But now they can even get their EMIs transferred to banks directly from their EPF accounts. For this, the EPF Organisation signed an MoU with HUDCO in June, 2017. Under the MoU, employees can form housing societies, get withdrawals for construction of houses, or pay direct EMIs to the building firm or banks.

The eligibility condition has been relaxed for housing withdrawal, and membership period of EPF has been reduced from five years to three years. Members can avail interest subsidy up to Rs 2.20 lakh in Credit Linked Subsidy Scheme (CLSS) through Ministry of Housing and Urban Poverty Alleviation's Nodal Agency HUDCO and National Housing Bank for those members whose annual income is less than the amount specified in Pradhan Mantri Awas Yojna.

Minimum wages have been revised, in a big relief to daily wage-earners. The Minimum wage (per day) for non-agricultural worker in the 'C' area category has been increased from Rs.246 to Rs 350; Rs 437 in 'B' Area category and Rs 523 in 'A' area category.

The Payment of Bonus Amendment Act, 2015 has enhanced the eligibility limit from Rs 10,000 to Rs 21,000 per month. The Employees' Compensation (Amendment) Act, 2017 has the provision to increase the penalty for contravention of Act from present Rs.5000/- to Rs 50,000/- extendable to Rs.1 Lakh.

The Maternity Benefit (Amendment) Act, 2017 has increased maternity benefit to woman from 12 weeks to 26 weeks for two surviving children and 12 weeks for more than two children. This would encourage women to join employment.

The ESI Corporation's medical services coverage has been expanded to all 393 districts where industrial clusters are located. Out of them, 301 districts have been fully covered. In the second phase, the target is to cover all remaining districts of the country. The "One IP-Two Dispensaries" scheme has been launched for the benefit of migrant workers. Now Insured Persons (IPs) can choose two dispensaries, one for self and another for family through an employer. This will benefit all IPs, especially migrant workers who are working in other than home State, while their families are living in their native States. Because of non-availability of option of second dispensary, dependants of the employee-members of the scheme were often deprived of medical benefits.

In employment generation, the Labour Ministry is implementing the National Career Service (NCS) project as a vibrant platform for transforming and strengthening the public employment services in the country.

Over 3.87 crore candidates and 14.8 lakh establishments are registered on the National Career Service (NCS) Portal and it has mobilized over six lakh vacancies. Around 540 job fairs were organised in 2016-17. The NCS project involves setting up of 100 Model Career Centres to deliver quality employment services and these centres are being set up in collaboration with States and Institutions. NCS has partnered with Department of Posts and common services centres to extend registration of job seekers through the Post Offices.

A new Scheme Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) has been initiated by the Ministry of Labour and Employment during 2016-17 for incentivising industry to take more employees and provided a generous allocation of Rs. 1000 crore for it. Out of the 12 per cent matching contribution of salaries to be made by employers for their employees into their EPF

accounts, the Government will pay 8.33 per cent, which goes into EPS (pension) accounts of the employees, for the new employees. In the textiles (apparel and made-ups) sector, the Government will pay the remaining 3.67 per cent of employees' salaries which goes into EPF accounts of the employers. This scheme, thus, offers a big help to the employers, if they go for fresh employment. In addition, the Government announced a booster package of Rs. 6000 crores for the textile sector which has big employment potential.

To improve the employability of youth, around 20 Ministries are running skill development schemes across 70 sectors. According to the data compiled by Ministry of Skill Development and Entrepreneurship, the number of persons skilled across various sectors during 2015-16 was 1.04 crore.

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