

## GOVT MAY MERGE HALF A DOZEN WELFARE SCHEMES WITH SOCIAL SECURITY CODE

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

In its effort to extend universal social security to all informal sector workers, the government may merge half a dozen welfare schemes with the labour code on social security.

“While EPFO (Employees’ Provident Fund Organization) and ESIC (Employees’ State Insurance Corp.) provide social security through establishments, there are multiple social security schemes catering to individuals in the informal sector. They are scattered and mostly overlapping,” said a government official, requesting anonymity.

“The social security code in one of the sections (Section 13) has a provision to bring any scheme on board, which is not part of the framework now. There is a possibility to rationalize several existing schemes for informal sector workers rolled out in recent years through this code,” the official added.

Schemes such as the Atal Pension Yojana (APY), PM Jeevan Jyoti Bima Yojana and PM Suraksha Bima Yojana, which are outside the ambit of the labour ministry, as well as the likes of PM ShramYogi Maan-dhaan and PM small traders’ pension are being considered to bring on board,” a second official said. “A single framework could be easier for effective implementation, monitoring and outcome assessment.” The government wants to expand social security across the labour market, the official added. “Overlapping of schemes does not serve the purpose. For example, PMSY and APY are similar in nature and the target audience is same. Perhaps it needs to be relooked and rationalized.”

When contacted, a labour ministry spokesperson declined to comment.

Labour economist K.R. Shyam Sundar said the social security code needs to differentiate social insurance and social assistance benefits. While the former is in place through existing structures such as the EPFO and ESIC, assistance benefits must be rationalized. “Clear rationalization and repurposing of schemes are a must. Several schemes for informal sector workers are populating the landscape, have an overlapping identity, and promise nil or very low inflation-adjusted assistance. Instead, have a single scheme for all informal sector workers, and link them to the Aadhaar number and Jan Dhan bank account.”

“While the formal sector has clear salary threshold for mandatory social security coverage, for the informal sector, there should be an income threshold. Extremely low-paid workers should not be asked to contribute to availing benefits, but those earning a little better, say, 15,000, should contribute along with the government. This will widen the scope and benefits most,” he added.

[Click here](#) to read the Mint ePaperLivemint.com is now on Telegram. [Join Livemint channel](#) in your Telegram and stay updated

Log in to our website to save your bookmarks. It'll just take a moment.

Your session has expired, please login again.

You are now subscribed to our newsletters. In case you can't find any email from our side,

please check the spam folder.

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS.com