



# Dattopant Thengadi Foundation

Date:27/12/2021

## Universalizing Social Security

Social security has always been an important issue and since the outbreak of the COVID-19 pandemic it has gained even more prominence. Traditionally social security has been understood as protection against five giants namely- unemployment, health, old age, sickness and accidental insurance. Many countries across the globe have been working to provide universal social security to their citizens but most of the countries (developing countries in particular) are far from the goal. According to the International Labour Organization currently, only [47 per cent](#) of the global population are effectively covered by at least one social protection benefit, while 4.1 billion people (53 per cent) obtain no income security at all from their national social protection system. There are significant regional inequalities in social protection. Europe and Central Asia have the highest rates of coverage, with 84 percent of people being covered by at least one benefit. The Americas are also above the global average, with 64.3 per cent. Asia and the Pacific (44 per cent), the Arab States (40 per cent) and Africa (17.4 percent) have marked coverage gaps.

In India as per the [Periodic Labour Force Survey](#) data for 2020, less than 43% of all employment contracts in India's organised workforce ensure basic social security such as provident fund coverage, gratuity, healthcare and maternity benefits. Only 40% of regular salaried workers have at least one social security benefit (according to 2019-'20 data). This phenomenon put emphasis on the different dimensions related to social security in India including the lack of awareness and ill-preparedness towards the life contingencies. In this regard as we have witnessed that the pandemic created a crisis that [disproportionately affected the poor](#) who are not in the salaried jobs i.e. daily wage and self employed workers have suffered the most in the two consequent waves with drop of income, exhausted savings leading towards long term indebtedness that will

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persist even after getting back to work. Henceforth, the lack of universal social security leads to an irreversible plight for the citizens. Hence the onus falls on the government to respond to the crisis all by themselves.

The base of the unorganised sector has expanded with the addition of approximately one crore of gig and platform workforce along with the traditional unorganised workforce including agriculture and allied workforce making it as huge as 450 million. It is therefore crucial to provide at least minimum protection including health and income that helps in coping to the social harms. In this regard a few weeks ago the [Supreme Court](#) agreed to take up a PIL seeking social security benefits for gig and platform workers.

The case is likely to have a far-reaching effect on India's labour market. It will also be closely followed globally as Indian gig workers face issues similar to those faced by their counterparts in rich countries. In August this year the government launched the e-shram portal to register workers. As of December 20, 2021 a total of 12,68,29,955 [e-shram cards](#) have been issued by the government, making it one of the world's biggest and fastest social security coverage as the worker gets accident insurance at the time of registration itself.

Recently, speaking at a tripartite meeting organized by ILO Union Labour Minister [Bhupender Yadav](#) has said that the government is committed towards achieving universalization of social security, and emphasized the importance of the e-shram portal to capture the data of unorganized workers for evidence based policy making and for providing social security to such workers. However, according to some experts a major hurdle in achieving universalization in India is a [low tax base](#) which makes social security unaffordable for governments with small funds for the purpose. One of the reasons behind this low tax base is the inequality as the latest [World Inequality Report 2022](#) has shown that there is a large rich-poor gap in India so it is very much possible that there may not be enough people who can be taxed, another reason may be the falling labour income and small percentage of formal employment, as wages in formal sector is easier to tax than the profit.

Another step worth mentioning is that some private players are also coming in the area to provide social security benefits. [Social enterprise](#) Haqdarshak Empowerment Solutions Private Limited and Dvara Money in partnership with Dalberg and Acumen have launched a pay-per-outcome financing model to bring 11 million workers in the informal and formal sectors into social security instruments. The programme is spread over three years and ensures citizens at the last mile to get government and private welfare and service schemes.

Further, the government is trying to bridge the gap between the formal and informal workforce in India by introducing various schemes in the upcoming budget 2022 to ensure an [even path of universal social security](#) where it will cover food security, affordable accommodation, medical benefit, skill upgradation, financial inclusion and access to institutional credit.

For bringing every worker in the country into the social safety net all the stakeholders- the government, employer and the employees- need to come together not only in creating awareness about the different initiatives but also helping the workers in getting themselves registered in various social security schemes they are eligible for. Also, the government can formulate an stratified social security framework that could be based on the ‘Pay as You Use’ model, which is already present in different welfare schemes (such as National Pension Scheme, PM SYM, Sukanya Samridhi and others) of the country, where different beneficiaries can afford certain social insurance based on their preference along with the mandatory social protection for certain areas related to income and health security. A variety of such schemes will help the citizens to choose the preferred welfare in accordance to their monetary status. Henceforth it will enable the country’s capability of achieving the aim of universal social security in an efficient and smooth manner.

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1) Democracy, Capitalism, Labour Movement: In Quest of Decent Work:  
<https://www.suruchiprakashan.com/democracy-capitalism-labour-movement>

2) Decent Wage : It's not Just About Workers :  
<https://www.suruchiprakashan.com/decent-wage>

3) Industry 4.0 and the Future of Work(er) :  
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