

Monthly pension plan for informal workers in offing

POLL SOP ₹3,000 cash transfer may be linked with Aadhaar

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NEW DELHI: With an eye on the upcoming general elections, the National Democratic Alliance (NDA) government is working on a plan to offer a monthly pension of ₹3,000 to unorganised workers such as household help and migrant labour above the age of 60 that will be directly transferred to the bank accounts of beneficiaries—creating a social security net in a country which doesn't have one for unorganised sector workers.

As per the result of the labour force survey on employment and unemployment conducted in 2011-12 by the National Sample Survey Office (NSSO), ministry of statistics and programme implementation, the number of estimated employed persons in 2011-12 on usual status basis was 474.1 million, of which 82.7% (391.4 million persons) was in the unorganised sector.

The money transfers will be effected through an unorganised worker identification number (UWIN) that could be linked with the beneficiaries' Aadhaar IDs, four government officials aware of the plan said on condition of anonymity.

The scheme is expected to be named after Deendayal Upad-

A security net for unorganised sector

The scheme may be election game-changer if it is seen by poor voters as a concrete effort to address their problems

WHO IT WILL BENEFIT

391.4 million persons in unorganised sector (82.7% of the 474.1 million estimated employed)

Source: Labour force survey by National Sample Survey Office, 2011-12

HOW THE AMOUNTS WILL BE TRANSFERRED

- It will be done through unorganised worker identification number (UWIN) that may be linked with Aadhaar IDs
- Expected to be launched ahead of Lok Sabha elections

₹1.2 lakh cr Expected additional cost after subsuming related, ongoing schemes in various states

hyay, the late ideologue of the Rashtriya Swayamsevak Sangh (RSS) and founder of the Bharatiya Jana Sangh, the forerunner of the ruling Bharatiya Janata Party (BJP). It is expected to be launched ahead of the summer general elections. With elections likely to be announced in early March, that gives the government just about a month to do this.

Officials said the proposed welfare scheme could prove to be a game-changer in the coming general election if it is seen by poor voters as a concrete and sincere

effort to address the problems of those at the bottom of the pyramid. It would help the NDA counter Congress leader Rahul Gandhi's promise of a guaranteed minimum income for the poor.

The plan comes amid concerns over lack of sufficient jobs to absorb new entrants to the workforce. In 2017-18, India's unemployment rate was a 45-year-high of 6.1%, the Business Standard reported on Thursday, citing the NSSO's periodic labour force survey report, which has not been released officially yet.

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Pension

“This is a step in the right direction as the unorganised sector has no social security and the state must take care of them. Ideally, it should be a universal pension scheme,” said Alakh N Sharma, a labour economist and director of the Institute for Human Development.

The officials cited above said the government is working on granular details of the scheme, such as eligibility criteria, the required resources and percentage share of the Centre and the states in funding the pension payments. It is targeting the launch of a scheme before the model code of conduct kicks in with the announcement of dates for the general election.

Experts said the scheme could require an additional ₹1.2 lakh crore to implement, after subsuming related, ongoing schemes in various states.

Unorganised workers were among the sections worst affected by the November 2016 invalidation of high-value banknotes, and also took a hit from the July 2017 implementation of the goods and services tax (GST) that many small businesses were unprepared for.

The legal framework of the scheme is already in place and the UWIN platform, which is capable of capturing data on the country's almost 420 million unorganised workers, is also ready to go live, one of the officials, with direct knowledge of the matter, said. The UWIN platform has been created at a cost of about ₹400 crore. Unorganised workers will be eligible for the pension after they turn 60 years old.

PTI reported in January 2018 about a planned drive by the labour ministry to register unorganised sector workers and provide them UWIN cards to bring them under the social security net, citing an official it didn't name. The UWIN Card will have a unique number that will be seeded with Aadhaar to provide all benefits of social security schemes at one stop, the report cited the official as saying.

“The government can launch any welfare scheme or give a direct subsidy to unorganised workers through the UWIN platform, which will be ready in a couple of days,” the first official added.

The platform will also help the government maintain details on unorganised workers in a central database. So far, the government has had to rely on state governments to gather numbers and other data, the official said.

A labour ministry spokesperson declined to comment on the plan.

Operationalisation of the UWIN platform is facing a minor glitch related to the Aadhaar unique identity number, a second official, who is aware of technical details, said.

In September 2018, the Supreme Court ruled that the government could mandate the unique ID for citizens to access state subsidies and welfare programmes but said it could not make the possession of an Aadhaar number a condition for operating bank accounts, mobile phones and enrolling in schools or college admissions..

Because of the Supreme Court's verdict, concerns have arisen that some activists may try to stall the project by challenging the linkage of unorganised workers' data with the Aadhaar ID. According to officials, while Aadhaar can be used for identifying beneficiaries, the linkage between UWIN and Aadhaar data could be open to challenge in the courts.

"In that case, we will make the programme independent of Aadhaar," the official with technical details of the project said.

The scheme is likely to be enforced through the Unorganised Workers' Social Security Act, 2008, (UWSS Act) which has already put in place a legal framework for providing social security benefits to workers in the unorganised sector, officials said.

The Act provides for the registration and issuance of identity cards to unorganised workers.

Gradually, other welfare schemes and direct subsidies will be provided to unorganised workers, including life and disability insurance cover, health facilities and maternity benefits. It is likely that all existing schemes will be reclassified and disbursed through UWIN to stop leakage of subsidies to the poor and bring transparency, the officials cited above said.

Existing schemes for the unorganised worker include the Indira Gandhi National Old Age Pension Scheme (IGNOAPS), the National Family Benefit Scheme (NFBS), the Financial Support to Artisans in Indigent Circumstances (Pension to Mastercrafts Artisans) Scheme, the Handloom Weavers' Comprehensive Welfare Scheme and Janani Suraksha Yojana (JSY).