Social Security for gig and platform workers

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Why in News?

The Ministry of Labour & Employment proposed the eligibility condition for gig and platform workers to access social security benefits.

- **Gig worker –** A person who participates in the gig economy.
  - They work as ***independent contractors or freelancers***, earning income through on-demand tasks or projects instead of being regular employees of a company.
- **Gig economy –** It is a labour market dominated by temporary, freelance, or part-time jobs rather than permanent, long-term employment.
- **Gig Worker Provisions –** Under the new draft rules on the Social Security Code 2020,
  - A 90-day annual work threshold with an aggregator is proposed as the mandatory eligibility condition to access social security benefits.
  - In case of multiple aggregators, eligibility requires at least 120 cumulative days in the last financial year.
  - Working with multiple aggregators on the same day counts as multiple days (e.g., three aggregators = three days).
  - **Mandatory registration –** Every gig/platform worker above 16 years of age must register using Aadhaar and prescribed documents on a self-declaration basis.
  - Eligible registered workers will receive a Universal Account Number (UAN) and a digital or physical identity card.
  - **Mandate on aggregators –** Aggregators must share worker details electronically, periodically, to facilitate updating of records.
  - Failure to update worker details may make the worker ineligible for benefits.
  - **Contributions –** Aggregators failing to pay contributions on time will be liable to pay 1% interest per month.

    - Collected contributions will be kept in a separate Social Security Fund for gig workers.
- **Constitutional provision–** The ‘Labour’ is a subject included in the Concurrent List in the 7th Schedule of the Constitution of India.
- Both Central and State Governments are competent to legislate in their respective spheres.
- **Labour Code highlights & impacts –** The Union Government has consolidated and repealed 29 central labour laws by merging them into four labour codes.
- Minimum wage becomes a legal right for all workers, not optional.
- A national floor wage to be fixed so no worker is paid below a basic living standard.
- **Social security benefits –** Provident fund and insurance are extended to all workers, including gig and platform workers.
- **Mandatory appointment letter –** It must be given, so workers know their job terms clearly.
- Women can work at night and in all types of establishments with equal opportunities.
- Gender-neutral wages are ensured.
- Discrimination against transgender persons is prohibited.
- **Formalise employment** – To reduce informal and unsafe work.
- Compliance for employers is simplified, shifting enforcement towards guidance and support instead of punishment.

Reference

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