
2. Gig Worker

Why in News?

- The Ministry of State for Labour and Employment has recently told the Lok Sabha that the definition of 'gig worker' and 'platform worker' has been provided for the first time in the Code on Social Security (SS), 2020

Highlights

- The Code has widened coverage by including the unorganised sector, fixed term employees and gig workers, platform workers, inter-state migrant workers in addition to contract employees.
- The Code applies to everyone on wages in an establishment, irrespective of occupation.
- All records and returns have to be maintained electronically. Digitisation of data will help in exchange of information among various stakeholders/funds set up by the Government, will ensure compliance and also facilitate governance.
- The provision of maternity benefits has not been made universal and is presently applicable for establishments employing 10 workers or more.
- The definition of 'establishment' in the proposed code did not include the unorganised sector. Hence, women engaged in the unorganised sector would remain outside the purview of maternity benefits.
- Any failure to deposit employees' contributions not only attracts a penalty of Rs 100,000, but also imprisonment of 1-3 years. In the case of repeated offence, the penalties and prosecution are severe, and no compounding is permitted for repeated offenses.
- The code still has thresholds based on the size of the establishment for making certain benefits mandatory.
- This means that certain benefits like pension and medical insurance are only mandatory for establishments with a certain minimum number of employees, thus leaving out a large number of workers. Additionally, the codes treat employees within the same establishment differently based on their wages. Only employees earning above a certain threshold will receive mandatory benefits.
- The delivery of social security benefits is still fragmented and administered by multiple bodies such as the Central Board of Trustees, Employees State Insurance Corporation, and Social Security Boards. This can make it confusing and difficult for workers to access the benefits they are entitled to.