

## Government plans to provide medical treatment to gig workers at a subsidised rate

Somesh Jha | New Delhi Last Updated at December 27, 2019 00:55 IST

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Companies belonging to the gig economy may not be pushed to contribute towards social security cover for its workers. Instead, the government is planning to provide medical treatment to gig economy workers at a subsidised rate from the Employees' State Insurance Corporation (ESIC) hospitals and dispensaries across the country.

This may come as a relief to such companies as they will not be compelled to bear the social security cost of its workers.

The government had last month introduced the Social Security Code Bill, 2019, in the Lok Sabha that proposed to provide, for the first time in India, social security cover to workers employed in the gig economy. The Bill mentioned that the government would launch a scheme to cover gig workers under the ESIC.

"The medical treatment through ESIC to gig workers is planned to be based on minimum user charge rather than on a contribution basis from employers," a senior labour and employment ministry official said.

Gig workers are usually spoken of in the context of the sharing economy, like Uber, Ola drivers, delivery persons for Zomato and Swiggy and so on. These are jobs enabled by a tech-enabled platform where the worker is not bound to the organisation and can choose to work for as long they want in a stint.

The official explained that the gig economy workers can go to ESIC hospitals and dispensaries for medical treatment where they will be charged discounted rates under the Central Government Health Scheme (CGHS). CGHS is meant for all central government employees, freedom fighters, present and former parliamentarians, judges, among others.

"We will frame rules to cover gig workers through ESIC," the official said.

The ESIC provides for medical, cash, maternity, disability, and dependent benefits to employees drawing a salary of up to Rs 21,000 per month. The present ESIC law applies to factories with 10 or more workers and it is also applicable to shops, hotels, restaurants, cinemas, and road transport undertakings.

Both workers and employees together contribute 4 per cent of a worker's monthly income towards ESIC. There are around 160 hospitals and 1,500 dispensaries under ESIC across the country.

## **Making Corporate India Comply**

When the Centre had released the draft social security code Bill in September, some firms and experts had expressed concerns as there was ambiguity related to whether firms will have to also contribute towards social security cover of gig workers. They had argued that any move to regulate the gig economy will impact the firms, which have flourished due to the flexibility it offers to workers. According to a report by Noble House, 70 per cent of firms in India have hired gig workers at least once for major organisational work in 2018.

### **WHAT THE PROPOSED SOCIAL SECURITY CODE SAYS**

Gig workers are those who perform work or participate in a work arrangement and earn from such activities outside of the traditional employer-employee relationship

Gig workers are classified as unorganised workers. So, provident fund contribution will not be required for them

The government will frame a scheme to give benefits under the Employees' State Insurance scheme to gig workers

The Centre will not ask for contribution from employers of gig workers, as is done in other cases.