

GIG WORKERS TO BE ELIGIBLE FOR HEALTHCARE UNDER PMJAY – ECONOMY

NEWS: *The Union Finance Minister has announced that **gig workers** will now be eligible for **healthcare benefits** under the **Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY)**.*

WHAT'S IN THE NEWS?

Announcement by the Union Finance Minister

- This is a **major policy shift** as gig workers **lack traditional employment benefits** like health insurance, Provident Fund (PF), and paid leaves.
- The move aims to **address the vulnerabilities** of gig workers, who are often engaged in **temporary, informal jobs** without social security.

Health Budget and Key Allocations

- The **total budget allocation for health** has increased by **₹9,000 crore** in this financial year.
 - This additional funding will help in **strengthening the healthcare system**, increasing access to **medical facilities**, and expanding **insurance coverage**.
- The increased funding will support **major healthcare programs** such as:
 1. **Mission to increase healthcare infrastructure** – To enhance **hospital capacity, medical facilities, and emergency response systems**.
 2. **Ayushman Bharat scheme** – Expansion of the government's flagship **health insurance scheme**, ensuring **wider coverage and better implementation**.
 3. **All India Institute of Medical Sciences (AIIMS), Delhi** – Additional funding for **infrastructure development, research, and medical services** in India's premier medical institute.

About Pradhan Mantri Jan Arogya Yojana (PMJAY)

- **Jan Arogya Yojana** provides **health insurance coverage of ₹5 lakh per family per year**.
 - This covers **hospitalization expenses for secondary and tertiary care**, ensuring that people do not suffer financially due to medical emergencies.
- The scheme allows beneficiaries to seek treatment at both **public and private hospitals** that are **empanelled** under PMJAY.
 - **Empanelled hospitals** are those that have been **approved** by the government to provide treatment under this scheme.
- The government has not yet specified **whether the families of gig workers** will also be covered under the scheme.
 - This remains an **important pending clarification**, as **many gig workers support dependents** who may also require health coverage.

Health Insurance Coverage in India (NITI Aayog Report)

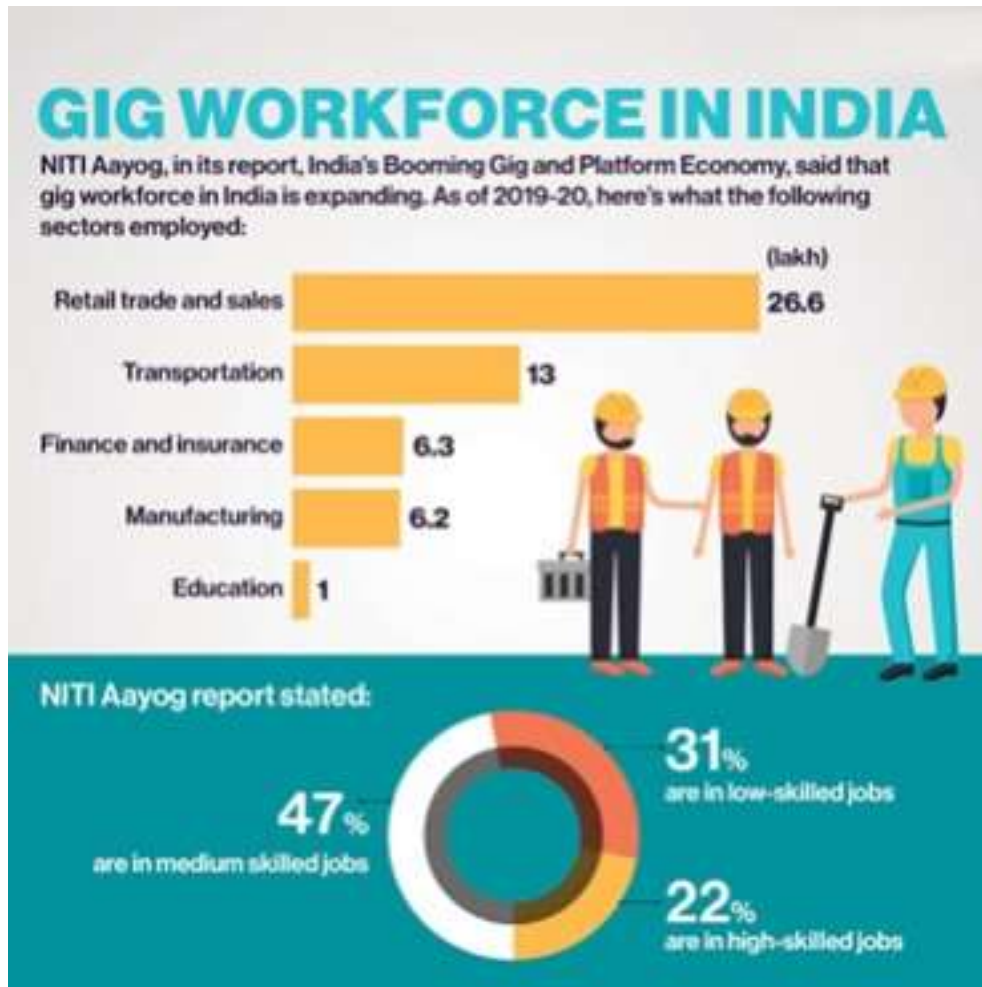
- **Only 10%** of India's population has purchased **private health insurance**.
 - Private insurance is often **expensive** and not affordable for **low-income groups**, including gig workers.
- **60%** of the population is estimated to be covered under **government-funded schemes** like PMJAY and state health insurance programs.

- These schemes help **low-income families** access **affordable healthcare services**.
- **30% of India's population**—equivalent to **over 400 million people**—has **no health insurance coverage** at all.
 - This **uninsured population** faces **high out-of-pocket medical expenses**, pushing many into **financial distress** during medical emergencies.

Who Are Gig Workers?

- **Gig workers** are individuals engaged in **income-earning activities** outside of **traditional full-time employer-employee relationships**.
 - This includes **freelancers, independent contractors, and part-time workers**.
- The term “**gig**” comes from the **music industry**, where musicians take up **short-term performance contracts**, known as **gigs**.
 - Similarly, gig workers **do not have permanent jobs** and work on a **project or task basis**.
- The **gig economy** relies on **digital platforms** to connect freelancers with customers.
 - These platforms act as **intermediaries**, linking **service providers with consumers**.
- **Examples of gig work** include:
 1. **Ride-hailing apps** – Such as **Uber, Ola**, where drivers are **self-employed** and earn per ride.
 2. **Food delivery platforms** – Such as **Swiggy, Zomato**, where delivery partners are **contract workers**.

3. **Holiday rental services** – Such as **Airbnb**, where individuals rent out **properties on a temporary basis**.



India's Gig Economy: Growth and Future Prospects

- In 2020, approximately **7.7 million workers** were engaged in the **gig economy** in India.
 - This number is growing **rapidly** due to **technological advancements and changing work patterns**.
- By **2029-30**, the gig workforce is expected to grow to **23.5 million workers**, comprising **4.1% of India's total workforce**.
 - This reflects an **increasing shift** towards **flexible, contract-based work** instead of traditional employment.
- The **distribution of gig work** in India:
 - **47%** of gig workers are in **medium-skilled jobs** (e.g., customer support, delivery services).
 - **22%** are in **high-skilled jobs** (e.g., software development, data analytics).
 - **31%** are in **low-skilled jobs** (e.g., manual labor, housekeeping).
- The **gig economy's contribution to India's GDP** is projected to be **substantial**.
 - By **2030**, it could add **1.25% to India's GDP**.
 - It also has the potential to create **90 million new jobs** in the long term.

Reasons for the Rise of Gig Work in India

1. **Impact of COVID-19 Pandemic**
 - The **2020 pandemic accelerated the gig economy**, as:
 - More consumers depended on **home deliveries** of food and essentials.
 - Many **laid-off employees** turned to **freelancing and gig work** for income.
2. **Freedom to Work from Anywhere**
 - Many gig jobs **do not require** workers to be **physically present in an office**.
 - This gives workers **flexibility** in choosing **when and where to work**.
3. **Technological Advancements and Internet Growth**
 - High-speed **internet and smartphones** have made **gig work more accessible**.
 - Digital platforms allow **seamless connections** between **service providers and customers**.
4. **Affordability for Small Businesses**
 - Small businesses **cannot always afford** full-time employees.
 - They hire **gig workers** for **short-term projects** or during **peak business seasons**.
5. **Employer Benefits**
 - Businesses **save costs** by hiring gig workers, as they **do not need to provide**:
 - **Medical insurance**
 - **Provident Fund (PF)**
 - **Bonuses and other full-time employment benefits**

Challenges Faced by Gig Workers

1. **Work-Life Balance Issues**
 - The **flexibility** of gig work sometimes **blurs the line** between work and personal life.
 - Unpredictable work hours can disrupt **sleep patterns and daily routines**.
2. **Threat to Full-Time Employment**
 - Companies can **reduce their permanent workforce** by replacing **full-time employees with gig workers**.
 - This can lead to **job insecurity** in traditional employment sectors.
3. **Lack of Job Benefits**
 - Gig workers **do not receive** standard employee benefits such as:
 - **Paid leave**
 - **Health coverage**
 - **Pension or retirement benefits**
 - Short-term contracts **do not ensure long-term financial stability**.

Steps Taken by the Government for Gig Workers

1. **Code on Social Security, 2020**
 - The government introduced this **law** to provide **social security schemes** for gig and platform workers.
 - It includes provisions for:
 - **Life insurance**
 - **Accident coverage**
 - **Health and maternity benefits**
 - **Retirement benefits**
 - However, these provisions **have not yet been implemented**.

2. e-Shram Portal (Launched in 2021)

- A **national database** for **unorganized workers**, including gig workers.
- Workers can **self-register** and gain access to **social security schemes**.
- Covers **around 400 types of occupations**.

Conclusion

- Gig workers **lack traditional job security** and **health benefits**, making them particularly vulnerable to **medical expenses**.
- Government-backed **health coverage** under PMJAY can provide a **crucial safety net**.
- Ensuring **wider coverage** and **implementation of social security schemes** is essential for the **long-term well-being** of gig workers in India.

Source: <https://indianexpress.com/article/health-wellness/union-budget-2025-health-insurance-cover-gig-workers-ayushman-bharat-9811994/>