Pradhan Mantri Shram Yogi Maan Dhan Yojana – A Total Fraud

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Just one month before the notification for the next Lok Sabha elections, the Modi Government announced a Pension Scheme for the unorganized sector workers, who earn less than Rs.15,000 a month, *'Pradhan Mantri Shram Yogi Mandhan Yojana'* in the interim budget and notified it via Ministry of labour and Employment Gazatte Notification dated 7th February 2019. The scheme, as per the Finance Minister "..*will provide assured monthly pension of Rs 3,000, with a contribution of 100 rupees per month, for workers in unorganised sector after 60 years of age"*, on closer examination turns out to be a total fraud and a deceit of the workers.

The finance minister claimed that the government will also provide a matching contribution of Rs 100 for every unorganised worker covered under the scheme and *"The scheme will benefit 10 crore workers, may become the world's biggest pension scheme for the unorganised sector in five years".* Later the Prime Minister announced that they are going to cover all the 42 core unorganised sector workers. But the government which allocated Rs.750 crores for cow protection in the budget had made an allocation of only Rs.500 crores to cover the 42 crore unorganized sector workers who according to the minister "*produce half of the country's GDP*"!

Announcement in five years: The BJP, which had promised to "*strengthen the Pension and Health Insurance safety nets for all kinds of labourers*" in its election manifesto in 2014, had announced this scheme just one month before the next Lok Sabha Election. The scheme is notified under the 'Unorganised Sector Workers' Social Security Act 2008.' In its five years of rule the central trade unions organized three General Strikes in which one of the major demands was for social security and pension of Rs.6000 per month for all workers. The BJP did not remember the unorganized sector workers till the elections are going to be declared. This is one of the biggest election stunts '*chunavi joomlas'* the NDA Ministry has made in the last 5 years.

Non viable for the workers: A primary examination itself reveals that the scheme has not taken care of the ground reality of the unorganised sector workers in our country. The scheme demands that a worker pay the premium of Rs.55 to Rs.200 per month regularly for a minimum of 20 years to get the pension. The 42 crore unorgansed sector workers include the agricultural workers, who get less than a hundred days of work a year. A good number of unorganized sector workers are migrant labourers who change the place of the work as well. It will not be possible for the workers to pay the premium uninterruptedly and this will end up with their money being taken over by the fund.

Exclusion of the most needy: The scheme which claims to be covering 'all' unorganized sector workers' excludes nearly twenty percent of the workers who are above forty years of age! **It means that the workforce above 40 years, which is the most needy section, will not be included in the scheme.**

No one is going to be benefitted for the next 20 years: The exclusion of the workers above the age of 40 yrs means that no worker is going to get any benefit for the next 20 years! A worker of the age 18 years will keep paying the government for the next 42 years.
10 crore workers will pay Rs.12,000 crore annually as premium for the next 20 years; i.e, the poor rickshaw pullers, *rehri patri* workers (street vendors), mid day meal workers, construction workers, anganwadi workers and helpers, MNREG workers, ASHA workers will all pay the

government Rs. 2,40,000 crore, in 20 years without getting a single penny back! This is nothing but making the unorganized sector workers, who even do not have any permanent income, pay the government such a huge amount which the government can utilize for financing the corporates.

If we assume even one tenth of the claim of the government is achieved, i.e., one crore workers are enrolled, they will pay Rs.1200 crores to the government in a year and Rs.24,000 crores in 20 years. The allocation for the so called matching grant by the Modi government is Rs.500 crores.

Only spouse can be the nominee: In this strange scheme designed to loot the workers, only the spouse (husband/wife) of the worker can be the nominee. It means that the workers who are single, widow or widower and if he/she dies before 60 years, the entire amount will be taken over by fund and her/his kin will not get any money. Only the spouse will either get the accumulated money or he/she can continue in the scheme. After the death of the spouse the money will go back to the Fund.
Many women working in the unorganised sector are widows. Even if the children of the worker who dies (even in an accident) are minors, they will not get a single paisa.
In case of accident and permanent disability of a worker, either his/her spouse can continue or he/she can get back whatever amount paid by him/her only. There is no provision for any other benefit. In many schemes of the LIC, there are much better provisions.

Assured pension, Rs.3000 per month: The government declared that the workers will get a monthly pension of Rs.3000 per month. But even for the organized sector workers in EPF, the guaranteed pension is only Rs.1000 pm (That too very recently). Given the track record of the government of India, one cannot believe that this promise can be fulfilled. Even if this promise is fulfilled, the value of Rs. 3000 after 20 years, if we consider inflation, will be less than Rs.1000 whereas the demand of the trade union movement is monthly pension of minimum Rs.6000 for all workers at the present price level. The much touted pension scheme does not consciously have any provision for indexation of the pension amount.

Workers at loss as per interest calculation: There are some startling statistics about the loot of the workers through this scheme. According to National Herald daily, the calculation goes like this: A person at the age of 18 joining the scheme will pay Rs.55 per month, with the government's contribution, it will be Rs.110 per month. He/she has to pay the amount for 42 years (till the age of 60 years). If this is remitted to a recurring deposit, the return after 42 years will be Rs.5,76,315! If we put this amount in fixed deposit the monthly interest will be Rs.5042! It means the worker will lose Rs.2042 per month as well as the principal amount of Rs.5,76,315.

If we go by the rates in any commercial bank in India, in 42 years, the accumulated amount through this recurring deposit scheme will be Rs.4,48,922 and its monthly interest will be Rs.3367! So, the monthly loss will be Rs.337 and in addition one will lose the accumulated Rs.4,48,922!

Scheme Workers: The government is frantically pushing for enrolment of the anganwadi workers, helpers, ASHA workers and even MNREGA workers (who get jobs for less than 100 days a year in a family) etc. Although neither in the budget speech nor in the notification were these sections included and neither have the Central Ministries issued letters to the states in this regard.

The Government claims in that in ten days more than 14 lakh workers are enrolled. The scheme necessitates linking of your bank account. The anganwadi workers, helpers, ASHA workers, Mid Day Meal workers all have bank accounts and the money can be deducted from their account. So the government is pushing to include them so that there will be regular payment.

In Pondicherry, where the anganwadi workers and helpers get a salary more than Rs.15,000 per month, but have no pension, cannot join this scheme. In states like Kerala, Haryana, Telangana, AP etc anganwadi workers are getting around Rs.12,000 a month, and have promises of increase, will be excluded from the scheme once they get Rs.15000 per month.

No need to pay back much: The life expectancy of Indian population is around 68 years. It will definitely be much less for the unorganized sector workers and may be 65 years or less. Experience shows that the malnourished, hungry worker will not even live up to 60 years. The workers who do not have a regular income will find it difficult to pay the premium. So all those money will go to the Fund.

EPF, ESI or Comprehensive social security scheme

If the intention of the government is good, why can't it include the unorganized sector workers in the EPF and ESI Schemes or introduce such schemes, which had benefitted crores of workers and earned wide acceptability and credibility.

The EPF is having provisions of loan and pension, partial withdrawal and the accumulated amount belongs to the worker and his/her nominee. This government which declared the pension scheme for unorganized sector workers just one month before elections is not concerned that even the social security schemes like EPF and ESI cover even less than 50% of the workers who are legally entitled and has no programme for the enrolment. The government instead is now paying the share of the employers but not that of the employees in the EPF in the name of new employment generation under the Prime Minister Rozgar Protsahan Yojana (PMRPY)! While the allocation for this scheme is a mere Rs.500 crore, the government had already paid more than Rs.3648 crores for the employers' contribution to EPFO.

Moreover, there are reports that a considerable amount of the workers in the EPFO which was invested in the share market in tradable bonds in IL&FS Investor Company, in spite of the opposition of the workers' representatives in the board, is totally lost with the company going bankrupt. The government is not coming out with any clarification. The fund accumulating in the PMSYM scheme also is at the same risk.

The need of the hour is a fully government funded comprehensive social security scheme ensuring health care including maternity, accident protection, superannuation for pension, children's education etc for all other sections of working people including agricultural workers and peasants, with a token contribution just to facilitate enrolment.