# Society & Social Justice · GS - II

**Can digital micro-contributions provide a viable pathway to extend social security to India's gig and informal workforce? Evaluate their potential and institutional limitations.**

| EXAM YEAR | PAPER | SUBJECT |
|---|---|---|
| DAILY PRACTICE 26/11/2026 | GS - II | Society & Social Justice |

| MARKS | WORD LIMIT |
|---|---|
| 15 | ~ 250 words |

## Answer Hint

**Digital social security, gig economy, micro-contributions, Code on Social Security 2020, portability, platform accountability, financial inclusion**

## Model Answer

**The changing nature of social protection**

India's expanding gig economy has created employment opportunities but weakened the traditional link between regular employment and social security. Micro-contributions through digital transactions offer a possible mechanism to bridge this gap.

**How the model could work**

1. Small voluntary contributions from customers, platform companies, employers or other third parties could be pooled into workers' retirement savings.
2. Digital payment systems could automate contributions, while portable accounts linked to a worker's identity could facilitate continuity across platforms and occupations.
3. Regular small deposits may gradually create meaningful long-term savings, particularly for workers with irregular incomes.

**Potential gains**

1. **Wider coverage:** Extends contributory social protection beyond conventional salaried employment.
2. **Shared responsibility:** Distributes the financial burden among platforms, customers and other contributors.
3. **Financial inclusion:** Encourages retirement planning among workers with limited access to formal savings instruments.
4. **Portability:** Digital records can help workers retain savings while changing employers, platforms or locations.

**Institutional limitations**

Voluntary contributions may remain inadequate for low-income workers. Irregular earnings, digital exclusion, administrative costs, data privacy concerns and uncertainty over platform responsibilities can weaken implementation. Micro-contributions also cannot substitute for health insurance, accident protection or other essential social security benefits.

**Conclusion**

Digital micro-contributions can complement India's social security architecture, but their success requires transparent fund management, suitable contribution incentives, platform accountability and guaranteed minimum protections. The objective should be universal and portable social security, not merely digital collection of small savings.

BECOME IAS
AI POWERED UPSC PREP