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**IMPLEMENTATION OF SOCIAL SECURITY SCHEMES FOR  
UNORGANIZED WORKERS IN INDIA: A CRITICAL LEGAL STUDY  
OF E-SHRAM PORTAL AND PRADHAN MANTRI SHRAM YOGI  
MAANDHAN**

**Prof. (Dr.) Ashok Kumar Sonkar**

Faculty of Law, University of Lucknow, Lucknow

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**ABSTRACT**

*Social security for unorganized workers has emerged as a critical concern in India due to the growing size of the informal workforce and the absence of structured employment protection. The Government of India has introduced several welfare initiatives to improve access to social security benefits, among which the e-Shram Portal and Pradhan Mantri Shram Yogi Maandhan (PMSYM) represent significant developments. This research examines the legal and institutional framework governing these schemes and evaluates their effectiveness in addressing the socio-economic vulnerabilities faced by unorganized workers. The study adopts a doctrinal and analytical approach to examine statutory provisions under The Code on Social Security, 2020, along with relevant policy documents and government reports. It further identifies key implementation challenges, including administrative limitations, digital barriers, limited awareness among workers, and procedural complexities affecting scheme accessibility. The paper also proposes policy reforms aimed at strengthening institutional accountability, improving grievance redress mechanisms, and enhancing digital inclusion. The findings suggest that while recent initiatives have expanded social security coverage, sustained legal enforcement and institutional coordination are necessary to ensure*



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*effective delivery of welfare benefits and promote long-term economic security for unorganized workers in India.*

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## INTRODUCTION

India has one of the largest labour forces in the world, and a significant portion of this workforce is engaged in the unorganized sector. Workers in this sector include agricultural labourers, street vendors, domestic workers, construction workers, and migrant labourers who generally work without formal employment contracts or institutional protection. Unlike workers in the organized sector, unorganized workers often face irregular employment, low wages, absence of job security, and lack of social protection mechanisms. The absence of structured social security exposes these workers to financial instability, especially during periods of illness, unemployment, disability, and old age. These conditions highlight the urgent need for effective social security measures that ensure minimum economic protection and dignified living conditions for vulnerable labour groups in India.

The obligation of the State to provide social security and welfare support to workers is not merely a matter of policy preference but is rooted in the constitutional framework of India. The *Constitution of India* recognizes social and economic justice as fundamental to governance and directs the State to promote welfare-oriented policies. In particular, provisions under Articles 39, 41, 42, and 43 emphasize the responsibility of the State to secure adequate means of livelihood, provide public assistance in cases of old age and unemployment, ensure humane working conditions, and promote a decent standard of life for workers.<sup>1</sup> These constitutional mandates form the legal foundation upon which labour welfare schemes are developed and implemented in India.

In response to the growing vulnerability of unorganized workers, the Government of India has introduced several social security initiatives aimed at improving access to welfare benefits and financial protection. Among these initiatives, the e-Shram Portal represents a significant step towards the creation of a national database of unorganized workers, enabling their identification and linkage to various welfare schemes. Similarly, the Pradhan Mantri Shram Yogi Maandhan (PMSYM) provides a contributory pension mechanism intended to secure income stability for unorganized workers after retirement.<sup>2</sup> These schemes demonstrate the government's effort to extend formal social security coverage to previously excluded sections of the workforce.

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<sup>1</sup> *The Constitution of India*, arts. 39, 41, 42, 43.

<sup>2</sup> Government of India, Ministry of Labour and Employment, *e-Shram Portal Guidelines* (2021), available at: <https://eshram.gov.in> (last visited on March 09, 2026).

Despite the introduction of these schemes, several implementation challenges continue to affect their effectiveness. A considerable number of eligible workers remain outside the coverage of welfare schemes due to limited awareness, technological barriers, documentation issues, and administrative inefficiencies. In many rural and semi-urban areas, lack of digital literacy and limited institutional outreach further restrict worker participation.<sup>3</sup> These implementation gaps raise important legal and policy questions regarding the adequacy of existing mechanisms and the extent to which statutory objectives relating to social security are actually achieved in practice.

This research paper therefore aims to undertake a critical legal and institutional examination of the implementation of the e-Shram Portal and the Pradhan Mantri Shram Yogi Maandhan scheme in India. The study seeks to analyze the legal basis of these schemes, assess their applicability to unorganized workers, identify institutional and administrative challenges, and evaluate their effectiveness in fulfilling the constitutional objective of social welfare. By examining both legal provisions and practical realities, this research intends to contribute to the ongoing discourse on strengthening social security systems for unorganized workers in India.

## **LEGAL FRAMEWORK GOVERNING SOCIAL SECURITY FOR UNORGANIZED WORKERS IN INDIA**

Social security for unorganized workers in India is supported by a structured legal framework consisting of constitutional provisions, statutory enactments, and welfare-oriented policies. This framework reflects the commitment of the Indian State to protect vulnerable sections of the workforce and ensure access to minimum social protection. The development of labour welfare schemes in India is not accidental but is guided by constitutional directives and legislative measures that recognize the importance of worker security in achieving social justice.

The constitutional foundation of social security is primarily reflected in the Directive Principles of State Policy contained in Part IV of the *Constitution of India*. Although these provisions are not enforceable in courts, they provide guiding principles for the State in formulating welfare policies. Article 39(a) directs the State to ensure that citizens have adequate means of livelihood, while Article 41 obligates the State to provide public assistance in cases of unemployment, old age, sickness, and disablement within its economic capacity. Similarly, Article 42 requires the State to ensure just and humane conditions of work,

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<sup>3</sup> Government of India, Ministry of Labour and Employment, *Annual Report 2022–2023*, available at: [Download Annual Report 2022–2023 \(Ministry of Labour & Employment\)](#) (last visited on April 09, 2026).



and Article 43 emphasizes the importance of securing a living wage and a decent standard of life for workers.<sup>4</sup> These constitutional provisions collectively establish a legal duty upon the State to promote social security measures for labour welfare.

In addition to the Directive Principles, the interpretation of the right to life under Article 21 has expanded the concept of social security as an essential component of human dignity. Judicial interpretation has emphasized that the right to life includes the right to livelihood and humane working conditions.<sup>5</sup> This constitutional recognition has influenced the formulation of labour welfare legislation and policy initiatives aimed at strengthening worker protection in India. At the statutory level, the *Unorganised Workers' Social Security Act, 2008* marked a significant development in recognizing the rights of workers engaged in the informal sector. The Act provided a legal mechanism for the formulation and implementation of welfare schemes relating to life and disability cover, health benefits, maternity benefits, old age protection, and other forms of social assistance. It also established the framework for the constitution of National and State Social Security Boards responsible for recommending and monitoring welfare schemes for unorganized workers.<sup>6</sup> The enactment of this law represented an important step toward institutionalizing social security coverage for workers who were previously excluded from formal protection mechanisms.

A major reform in labour welfare legislation occurred with the enactment of *The Code on Social Security, 2020*, which consolidated several existing labour laws relating to social security into a unified legal framework. This Code expanded the definition of workers to include gig workers, platform workers, and other categories of informal labour. It introduced provisions for registration of unorganized workers and laid the foundation for the creation of centralized databases to facilitate identification and delivery of welfare benefits. The legal provisions relating to worker registration and social security administration under this Code provide the statutory basis for the development of digital platforms such as the e-Shram Portal.<sup>7</sup> The statutory framework also enables the implementation of contributory pension schemes such as the Pradhan Mantri Shram Yogi Maandhan scheme. The legal recognition of pension-based social security under the broader social security framework reflects the State's responsibility to address the long-

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<sup>4</sup> *The Constitution of India, 1950*, arts. 39(a), 41, 42, 43.

<sup>5</sup> *Olga Tellis v. Bombay Municipal Corporation*, AIR 1986 SC 180.

<sup>6</sup> *The Unorganised Workers' Social Security Act, 2008* (Act 33 of 2008).

<sup>7</sup> *The Code on Social Security, 2020* (Act 36 of 2020), ss. 109–114.



term financial vulnerability of workers in the informal sector. Such schemes aim to provide income security in old age and reduce dependency among economically weaker sections of society.<sup>8</sup>

Despite the existence of constitutional and statutory provisions supporting social security, challenges remain in translating legal mandates into effective implementation. Weak institutional coordination, limited administrative capacity, and lack of uniform enforcement across states often restrict the realization of statutory objectives. These challenges highlight the gap between legal recognition of welfare rights and their actual delivery to beneficiaries. Therefore, understanding the legal framework governing social security schemes is essential for evaluating whether initiatives such as the e-Shram Portal and PMSYM effectively fulfill their intended legal purpose.

### **SOCIO-LEGAL PROFILE OF UNORGANIZED WORKERS IN INDIA**

The unorganized sector constitutes a substantial portion of India's workforce and plays a significant role in the country's economic activities. Workers in this sector are typically engaged in small-scale, informal, and labour-intensive occupations that operate outside formal regulatory structures. Unlike organized sector employees, unorganized workers usually lack written employment contracts, fixed wages, regulated working hours, and access to institutional welfare mechanisms. This absence of formal employment conditions creates legal and economic vulnerability, making social security protection essential for ensuring dignified living standards. The legal recognition of unorganized workers in India is primarily governed by statutory provisions under *The Code on Social Security, 2020*, which provides a comprehensive definition of workers engaged in informal employment. Under the Code, an unorganized worker includes individuals who are self-employed or employed in wage-based work in sectors that are not covered by formal labour regulations. The Code also recognizes categories such as gig workers and platform workers, reflecting the changing nature of employment patterns in India.<sup>9</sup> This statutory definition plays an important role in identifying beneficiaries for government welfare schemes and ensuring that workers engaged in informal occupations receive legal recognition within the social security framework.

In practical terms, unorganized workers in India belong to diverse occupational categories. These include agricultural labourers, domestic workers, street vendors, home-based workers, construction workers, and

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<sup>8</sup> Government of India, Ministry of Labour and Employment, *Pradhan Mantri Shram Yogi Maandhan (PM-SYM) Scheme*, available at: <https://labour.gov.in/en/pm-sym> (last visited on April 01, 2026).

<sup>9</sup> *The Code on Social Security, 2020* (Act 36 of 2020), s. 2(86), 2(60), 2(61).



migrant labourers who travel across states in search of employment opportunities. Many of these workers operate in seasonal or temporary employment arrangements, where income levels fluctuate depending on availability of work. Migrant workers, in particular, face additional challenges due to mobility, lack of local documentation, and limited awareness of welfare schemes.<sup>10</sup> The diversity of occupations within the unorganized sector makes it difficult to design uniform welfare mechanisms that address the specific needs of all worker groups. From a socio-economic perspective, unorganized workers often experience multiple forms of vulnerability, including low income levels, lack of savings, absence of pension facilities, and limited access to healthcare services. These workers frequently depend on daily wages, and any interruption in employment may lead to immediate financial hardship. Old-age insecurity is another major concern, as many unorganized workers continue to work beyond retirement age due to the absence of pension coverage.<sup>11</sup> Similarly, sudden medical emergencies or workplace injuries can result in severe economic distress, highlighting the need for comprehensive social security systems supported by legal frameworks.

The legal and social vulnerabilities of unorganized workers are further intensified by limited awareness regarding statutory rights and welfare schemes. Many workers are unfamiliar with the procedures required for registration under government initiatives, and in some cases, lack of literacy and digital access prevents them from completing formal enrollment processes. In rural and semi-urban areas, institutional outreach mechanisms remain inadequate, resulting in uneven distribution of welfare benefits.<sup>12</sup> These conditions emphasize the importance of legally structured identification systems and simplified registration processes to ensure that eligible workers are not excluded from welfare schemes due to procedural barriers.

Understanding the socio-legal profile of unorganized workers is therefore essential for evaluating the implementation of social security schemes. Government initiatives such as the e-Shram Portal and the Pradhan Mantri Shram Yogi Maandhan (PMSYM) are specifically designed to address the vulnerabilities faced by informal workers. However, the effectiveness of these schemes depends largely on accurate identification of beneficiaries and the capacity of institutions to reach diverse worker groups. A detailed understanding of the socio-legal characteristics of unorganized workers therefore provides the foundation for analyzing the practical applicability and limitations of these welfare initiatives in the Indian context.

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<sup>10</sup> International Labour Organization, *Women and Men in the Informal Economy: A Statistical Picture 52* (ILO, Geneva, 2018).

<sup>11</sup> Ravi Srivastava, *Informal Labour in India: Growth and Challenges* 74 (Oxford University Press, New Delhi, 2019).

<sup>12</sup> Government of India, Ministry of Labour and Employment, *Annual Report 2019–2020*, available at: <https://labour.gov.in> (last visited on April 11, 2026).



## LEGAL AND INSTITUTIONAL ANALYSIS OF THE e-SHRAM PORTAL

The establishment of the e-Shram Portal represents a significant administrative and legal initiative undertaken by the Government of India to strengthen the delivery of social security benefits to unorganized workers. Prior to the introduction of this digital platform, the absence of reliable worker identification systems created substantial barriers to the effective implementation of welfare schemes. Fragmented records and lack of standardized registration mechanisms made it difficult for authorities to identify eligible beneficiaries and ensure targeted delivery of benefits. The creation of a centralized digital platform was therefore conceived as a practical solution to bridge the gap between statutory recognition of workers and the actual delivery of welfare entitlements.

### A. Legal Basis of the e-Shram Portal

The legal foundation of the e-Shram Portal can be traced to the provisions of *The Code on Social Security, 2020*, which introduced mandatory registration mechanisms for unorganized workers. The Code authorizes the Central Government to create systems for identification and maintenance of records relating to workers engaged in informal employment. These provisions recognize the necessity of maintaining reliable databases as a prerequisite for implementing welfare schemes and delivering statutory benefits. The legal mandate for worker registration has thus provided the statutory support required for the development of digital platforms such as the e-Shram Portal.<sup>13</sup>

In addition to statutory authority, the portal is also supported by policy initiatives formulated by the Ministry of Labour and Employment, Government of India. The development of a national database reflects the State's effort to fulfill constitutional obligations relating to social security and worker welfare. By providing a structured mechanism for registering workers across states, the portal aims to strengthen the legal recognition of unorganized workers and facilitate their inclusion in various government welfare programs.

### B. Registration Mechanism and Institutional Implementation

The operational framework of the e-Shram Portal is primarily based on Aadhaar-linked digital registration. Workers are required to provide basic identification details, occupation information, and bank account details to obtain a unique identification number. This registration process is supported through Common Service Centres (CSCs), State Labour Departments, and designated facilitation agencies. The involvement

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<sup>13</sup> *The Code on Social Security, 2020* (Act 36 of 2020), ss. 109–114.

of multiple institutions reflects a collaborative administrative structure designed to ensure nationwide implementation of the scheme.

Institutionally, the Ministry of Labour and Employment plays a central role in monitoring the registration process and maintaining the national database. State-level labour departments are responsible for mobilizing workers, conducting awareness programs, and facilitating enrollment procedures. The integration of digital technology into the registration process has improved the efficiency of data collection and reduced duplication of records. However, the reliance on digital infrastructure has also introduced operational challenges, particularly in regions with limited internet connectivity and low digital literacy.

### **C. Rights and Benefits Associated with Registration**

Registration under the e-Shram Portal provides workers with formal recognition within the national social security framework. Once registered, workers receive a Universal Account Number (UAN), which serves as an identification tool for accessing various welfare schemes implemented by central and state governments. This registration facilitates linkage with insurance benefits and enables authorities to design targeted welfare policies based on reliable demographic data.

The legal significance of registration lies in its role as a gateway to welfare entitlements. Without formal registration, workers may remain excluded from schemes designed to provide financial assistance, healthcare support, and insurance coverage. Therefore, the portal functions not only as a technological initiative but also as a mechanism that supports the legal realization of social security rights for unorganized workers.

### **D. Implementation Challenges and Legal Concerns**

Despite the progressive intent behind the e-Shram Portal, several implementation challenges have been observed in its functioning. One of the major issues relates to the digital divide that exists between urban and rural regions. Many workers in rural areas lack access to smartphones, stable internet connectivity, or digital literacy, which limits their ability to complete online registration processes independently. Dependence on facilitation centres increases administrative burden and often results in delays.

Another challenge concerns documentation requirements and verification procedures. Workers without Aadhaar-linked mobile numbers or valid identity documents face difficulty in completing registration. In certain cases, discrepancies in personal details lead to rejection or delay in registration, raising concerns





regarding exclusion of eligible beneficiaries. These procedural barriers highlight the need for flexible registration mechanisms that accommodate the diverse socio-economic conditions of workers in India.<sup>14</sup> Legal concerns also arise regarding the accuracy and security of data collected through digital platforms. The storage and management of large volumes of personal data require robust safeguards to prevent misuse and unauthorized access. Ensuring data protection and maintaining confidentiality are essential components of lawful implementation, particularly when digital identification systems are used as the basis for welfare distribution.

### **E. Evaluation of Effectiveness of the e-Shram Portal**

Since its introduction, the e-Shram Portal has recorded significant progress in terms of worker registration. Millions of workers across various states have enrolled on the platform, indicating increasing awareness and acceptance of digital welfare systems. The availability of centralized worker data has enabled the government to design targeted welfare interventions and improve policy planning.

However, the overall effectiveness of the portal depends not only on registration numbers but also on the actual delivery of benefits linked to registered workers. In several instances, workers have registered successfully but have not received the expected benefits due to delays in scheme integration or administrative bottlenecks. This situation demonstrates that registration alone does not guarantee welfare access, and continuous institutional support is necessary to ensure that the objectives of the portal are realized in practice.<sup>15</sup>

The long-term success of the e-Shram Portal will therefore depend on sustained administrative coordination, technological reliability, and legal accountability. Strengthening these elements is essential for transforming the portal from a data collection system into an effective instrument for delivering social security benefits to unorganized workers across India.

## **COMPARATIVE LEGAL EVALUATION OF THE e-SHRAM PORTAL AND PRADHAN MANTRI SHRAM YOGI MAANDHAN (PMSYM)**

The implementation of social security schemes for unorganized workers in India requires careful legal and institutional evaluation to determine their effectiveness within the statutory framework governing

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<sup>14</sup> Government of India, Ministry of Labour and Employment, *e-Shram Portal: Operational Guidelines* (2021), available at: <https://eshram.gov.in> (last visited on April 15, 2026).

<sup>15</sup> Government of India, Ministry of Labour and Employment, *Annual Report 2022–2023* 118 (2023).



labour welfare. The e-Shram Portal and the Pradhan Mantri Shram Yogi Maandhan (PMSYM) represent two important mechanisms designed to extend social protection to informal workers. Although both schemes operate under the authority of *The Code on Social Security, 2020*, their operational objectives differ in scope and impact. The e-Shram Portal functions primarily as a national identification and registration system that enables the State to maintain a centralized database of unorganized workers, which is essential for effective delivery of welfare benefits. In contrast, PMSYM directly addresses the statutory objective of providing financial assistance in old age through a contributory pension mechanism, thereby offering long-term income security to economically vulnerable workers.<sup>16</sup>

The scope of coverage under the e-Shram Portal is significantly broader than that of PMSYM, as it is designed to register workers across diverse occupations without imposing financial conditions. This inclusive approach strengthens the State's capacity to identify eligible beneficiaries and formulate targeted welfare policies based on reliable demographic information. In comparison, PMSYM operates within defined eligibility criteria relating to age and income thresholds, thereby limiting its coverage to specific categories of workers. While such targeted eligibility ensures that benefits are directed toward economically weaker sections, it also creates the risk of excluding workers who fail to satisfy prescribed conditions.<sup>17</sup> These limitations highlight the necessity of adopting flexible eligibility frameworks that reflect the heterogeneous nature of unorganized labour in India.

Institutionally, both schemes require coordination among multiple administrative bodies; however, the complexity of implementation varies significantly between them. The e-Shram Portal relies heavily on digital infrastructure and administrative coordination between central and state authorities, facilitating efficient data collection and policy planning. The introduction of digital registration systems has improved administrative efficiency but has also created dependency on technological infrastructure, particularly in rural and remote areas where internet connectivity remains limited. PMSYM, on the other hand, involves additional institutional responsibilities related to financial management, including the collection of worker contributions and disbursement of pension benefits through banking institutions. The requirement of financial monitoring increases administrative complexity and necessitates strong institutional oversight to prevent errors and ensure timely delivery of benefits.<sup>18</sup>

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<sup>16</sup> Government of India, Ministry of Labour and Employment, *Operational Guidelines for National Database of Unorganised Workers (e-Shram)* (2021).

<sup>17</sup> Santosh Mehrotra and Jajati K. Parida, *Informal Labour Markets and Social Security in India* 102 (Oxford University Press, New Delhi, 2020).

<sup>18</sup> NITI Aayog, *Strategy for New India @75: Labour and Employment Sector* 214–220 (2018).



Accessibility and worker participation patterns also differ considerably between the two schemes. The e-Shram Portal has witnessed relatively higher participation levels due to its simplified registration process and absence of mandatory financial commitments. Workers are more likely to enroll in schemes that do not impose immediate financial obligations, especially in contexts characterized by irregular income patterns. In contrast, PMSYM faces challenges in sustaining worker participation due to the requirement of regular monthly contributions. Workers engaged in seasonal employment often struggle to maintain consistent payments, resulting in discontinuation of enrollment.<sup>19</sup> This financial barrier affects the long-term sustainability of the scheme and highlights the need for adaptable contribution structures that accommodate the fluctuating income patterns of informal workers.

From a legal accountability perspective, both schemes raise important concerns relating to enforcement and grievance redress mechanisms. The effectiveness of the e-Shram Portal depends on the accuracy of data management systems and the prevention of exclusion errors that may deny eligible workers access to welfare benefits. PMSYM, due to its contributory nature, involves more complex accountability issues relating to contribution records, pension calculations, and benefit disbursement. Inadequate grievance mechanisms and delays in resolving disputes undermine worker confidence and weaken the credibility of welfare programs. Strengthening transparency, ensuring periodic audits, and establishing accessible dispute resolution frameworks are therefore essential for maintaining legal accountability and ensuring compliance with statutory obligations.<sup>20</sup>

Overall, the comparative evaluation of the e-Shram Portal and PMSYM demonstrates that both schemes perform complementary functions within India's social security framework. The e-Shram Portal provides the institutional infrastructure necessary for identifying beneficiaries, while PMSYM contributes to long-term financial security through pension support. However, disparities in accessibility, administrative complexity, and participation patterns continue to influence their effectiveness.<sup>21</sup> The long-term success of these schemes depends on the State's ability to integrate digital identification systems with sustainable pension mechanisms, supported by strong institutional coordination and effective legal enforcement. Such integration is essential for fulfilling the constitutional objective of promoting social justice and ensuring meaningful social security coverage for unorganized workers in India.

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<sup>19</sup> Ravi Srivastava, *Labour Migration, Informality and Social Security in India* 88 (Oxford University Press, New Delhi, 2021).

<sup>20</sup> Law Commission of India, *Report No. 272 on Assessment of Welfare Delivery Mechanisms* (2017).

<sup>21</sup> S.C. Srivastava, *Social Security and Labour Welfare* 389 (Universal Law Publishing, New Delhi, 2019);



## INSTITUTIONAL AND ENFORCEMENT CHALLENGES IN THE IMPLEMENTATION OF SOCIAL SECURITY SCHEMES

The implementation of social security schemes for unorganized workers in India is significantly influenced by the strength of institutional mechanisms responsible for translating statutory objectives into practical outcomes. Although legislative measures such as *The Code on Social Security, 2020* provide the legal basis for welfare delivery, persistent administrative and institutional limitations continue to restrict effective implementation. Government agencies entrusted with executing welfare programs often face shortages of trained personnel and limited logistical support, particularly at the district and local levels. In many states, labour departments operate with constrained human resources, which affects their capacity to conduct sustained registration campaigns and awareness initiatives. The absence of adequate institutional outreach results in a considerable number of eligible workers remaining outside the formal social security framework. In addition, coordination between central and state authorities frequently encounters procedural delays due to differences in administrative priorities and resource allocation, leading to uneven implementation across regions and reducing the overall effectiveness of welfare schemes.<sup>22</sup>

Legal enforcement and accountability mechanisms also present significant challenges in ensuring that statutory mandates relating to worker welfare are fulfilled. While legislation authorizes the establishment of social security schemes, the absence of clearly defined enforcement measures and penalty provisions often weakens institutional responsibility. Workers encountering difficulties in registration or benefit delivery frequently lack accessible grievance redress mechanisms, particularly in rural areas where awareness of legal remedies remains limited. Procedural complexity and institutional delays discourage workers from seeking formal resolution of disputes, thereby undermining the effectiveness of welfare systems. Documentation requirements further complicate implementation, as many unorganized workers lack consistent identity records or updated personal information, resulting in exclusion from scheme coverage. Ensuring flexible documentation procedures and strengthening legally enforceable grievance systems are therefore necessary to enhance accessibility and promote accountability within welfare administration.<sup>23</sup>

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<sup>22</sup> Government of India, Ministry of Labour and Employment, *Annual Report 2022–2023* 130–134 (2023);

<sup>23</sup> *The Code on Social Security, 2020* (Act 36 of 2020), ss. 109–114.



Technological transformation in welfare delivery has introduced both efficiency and complexity into the implementation process. Digital platforms such as the e-Shram Portal depend heavily on reliable internet connectivity, digital literacy, and institutional technical support. In rural and geographically remote areas, limited technological infrastructure continues to restrict worker participation in digital registration systems. Many workers require assistance from facilitation centres to complete registration procedures, increasing administrative workload and creating opportunities for data entry errors. Inaccurate or incomplete digital records may lead to incorrect identification of beneficiaries, thereby affecting access to welfare benefits. Furthermore, the large-scale collection and storage of personal data raise concerns regarding privacy and data protection, highlighting the need for stronger legal safeguards governing digital welfare administration.<sup>24</sup>

Socio-economic realities at the worker level also create barriers to effective implementation. A substantial proportion of unorganized workers remain unaware of the availability of welfare schemes and the procedures required for enrollment. Limited literacy levels and absence of regular communication channels reduce the ability of workers to understand eligibility conditions and benefit structures. Financial instability further affects participation in contributory schemes such as the Pradhan Mantri Shram Yogi Maandhan (PMSYM), where consistent monthly contributions are required. Workers engaged in seasonal or daily wage employment often prioritize immediate financial needs, leading to irregular contributions or discontinuation of enrollment. Migration patterns also contribute to implementation difficulties, as workers frequently relocate across states in search of employment, making it challenging to maintain consistent registration records and access benefits.<sup>25</sup> The absence of effective portability mechanisms continues to limit continuity of welfare coverage for migrant workers.

Access to justice and legal awareness remain fundamental concerns affecting the long-term effectiveness of social security schemes. Many unorganized workers lack knowledge of their legal rights and are unfamiliar with institutional procedures available for grievance resolution. Even where formal complaint mechanisms exist, their complexity discourages workers from pursuing legal remedies. Strengthening legal literacy initiatives and establishing accessible community-level grievance centres would significantly improve the responsiveness of welfare systems.<sup>26</sup> Continuous institutional monitoring,

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<sup>24</sup> Ministry of Labour and Employment, Government of India, *Operational Guidelines for National Database of Unorganised Workers (e-Shram)* (2021);

<sup>25</sup> Government of India, Ministry of Labour and Employment, *Pradhan Mantri Shram Yogi Maandhan Scheme Guidelines* (2019).

<sup>26</sup> S.C. Srivastava, *Social Security and Labour Welfare* 389–392 (Universal Law Publishing, New Delhi, 2019);



periodic audits, and simplified dispute resolution frameworks are essential for enhancing transparency and ensuring that statutory obligations are translated into meaningful benefits for workers. The long-term success of welfare initiatives therefore depends on coordinated institutional reforms, improved legal accountability, and sustained administrative commitment toward inclusive social protection.

## **POLICY REFORMS AND LEGAL RECOMMENDATIONS FOR STRENGTHENING SOCIAL SECURITY IMPLEMENTATION**

The effective implementation of social security schemes for unorganized workers in India requires continuous legal and institutional reforms aimed at strengthening the delivery of welfare benefits. Although initiatives such as the e-Shram Portal and the Pradhan Mantri Shram Yogi Maandhan (PMSYM) have significantly expanded the scope of social protection, persistent administrative and legal gaps indicate the necessity for structural reforms. One of the primary reforms required within the existing framework is the establishment of a comprehensive statutory mechanism for universal worker registration. While *The Code on Social Security, 2020* provides enabling provisions for worker registration, its enforcement remains uneven across states. The introduction of mandatory procedural standards, supported by clear operational guidelines and involvement of local governance institutions such as Panchayats and municipal bodies, would enhance outreach and ensure accurate identification of beneficiaries. Legal recognition of decentralized administrative structures would strengthen accountability mechanisms and minimize the exclusion of eligible workers from welfare programs.<sup>27</sup>

Another significant reform concerns the establishment of accessible grievance redress mechanisms capable of addressing disputes arising from registration errors, contribution discrepancies, and benefit delays. The absence of efficient grievance resolution frameworks continues to weaken worker confidence in welfare institutions. Establishing district-level grievance authorities with defined timelines for disposal of complaints would improve transparency and ensure institutional responsibility. Such reforms must be supported by statutory provisions that impose accountability for administrative delays and enable timely enforcement of welfare entitlements. Strengthening legal remedies at the grassroots level would also enhance the accessibility of justice for workers who often face procedural barriers in pursuing formal complaints.<sup>28</sup>

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<sup>27</sup> *The Code on Social Security, 2020* (Act 36 of 2020), s. 113.

<sup>28</sup> Government of India, *Annual Report 2022–2023*, Ministry of Labour and Employment 132–135 (2023).



Digital accessibility and data protection represent additional areas requiring immediate policy attention. Digital platforms used in welfare administration have improved administrative efficiency; however, disparities in internet access and digital literacy continue to limit participation among workers residing in rural and remote regions. Expanding digital infrastructure, simplifying user interfaces, and increasing the availability of facilitation centres would significantly improve worker inclusion in registration processes. At the same time, the collection and storage of personal data through digital platforms necessitate the establishment of robust legal safeguards to protect confidentiality and prevent misuse.<sup>29</sup> The introduction of clear data governance standards and regular audits of digital systems would enhance public trust and ensure compliance with evolving legal norms governing digital administration.

Financial sustainability and worker participation in contributory schemes also require targeted reforms. The contributory framework of PMSYM, while designed to ensure long-term viability, presents practical difficulties for workers with irregular income patterns. Introducing flexible contribution schedules, seasonal payment options, and temporary financial assistance during periods of economic hardship would improve continuity of enrollment and reduce dropout rates. Such flexibility would reflect the socio-economic realities of informal labour and enhance the inclusiveness of pension-based welfare programs. Policymakers may also consider developing integrated payment systems that allow workers to contribute through multiple channels, thereby reducing dependence on fixed payment cycles.<sup>30</sup>

Strengthening institutional coordination and monitoring mechanisms remains essential for improving administrative efficiency. The development of centralized monitoring systems capable of tracking beneficiary enrollment, contribution records, and benefit distribution would enhance transparency and reduce procedural delays. Regular performance audits conducted by independent authorities would help identify operational weaknesses and ensure effective utilization of welfare resources. Standardized guidelines for coordination between central and state governments are necessary to minimize regional disparities and promote uniform implementation across jurisdictions. Institutional reforms that emphasize accountability and performance evaluation would significantly improve the overall reliability of welfare delivery systems.<sup>31</sup>

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<sup>29</sup> NITI Aayog, *Digital Infrastructure and Social Welfare Delivery Report* 98–105 (2021).

<sup>30</sup> Santosh Mehrotra and Jajati K. Parida, *Informal Labour Markets and Social Security in India* 110–118 (Oxford University Press, New Delhi, 2020).

<sup>31</sup> Government of India, *Annual Report 2022–2023*, Ministry of Labour and Employment 130–136 (2023);



Enhancing legal awareness and worker education programs is equally important for improving participation in social security initiatives. A large proportion of unorganized workers remain unaware of available welfare schemes and their legal entitlements. Community-based awareness campaigns, supported by labour welfare centres and local administrative institutions, can improve understanding of registration procedures and grievance mechanisms. Integrating legal literacy initiatives into welfare outreach programs would empower workers to exercise their rights and reduce dependence on intermediaries. Increased awareness not only improves participation rates but also strengthens the overall legitimacy of welfare institutions.

Overall, the implementation of effective policy reforms requires a comprehensive approach that integrates statutory clarity, technological development, institutional accountability, and worker participation. The long-term sustainability of social security schemes depends on the ability of policymakers to address administrative inefficiencies while ensuring that legal obligations relating to worker welfare are fulfilled in practice. Strengthening these elements will contribute significantly to achieving the constitutional objective of social justice and improving socio-economic security among unorganized workers in India.

## CONCLUSION

The expansion of social security coverage for unorganized workers in India marks an important step toward achieving social and economic justice. Welfare initiatives such as the e-Shram Portal and the Pradhan Mantri Shram Yogi Maandhan (PMSYM) reflect the State's effort to address the economic vulnerabilities of workers engaged in informal employment. These initiatives demonstrate a shift from traditional welfare practices toward structured systems that emphasize worker identification, digital registration, and long-term financial security through pension-based support. The constitutional and statutory framework in India provides a strong legal foundation for such welfare initiatives. Constitutional directives relating to livelihood, social assistance, and humane working conditions impose a responsibility upon the State to promote labour welfare. Legislative developments, particularly *The Code on Social Security, 2020*, have further strengthened institutional mechanisms by recognizing the importance of worker registration and pension-based social security. These provisions confirm that social security is not merely a policy measure but a legal responsibility directed toward safeguarding vulnerable workers.

Despite these legal and policy advancements, the effectiveness of social security schemes continues to depend on their practical implementation. Administrative limitations, digital barriers, limited worker awareness, and procedural complexities remain major obstacles affecting accessibility of welfare benefits.





Although registration levels under the e-Shram Portal have increased, integration of benefits and continuity of support require further improvement. Similarly, the contributory structure of PMSYM presents challenges for workers with irregular income patterns. The long-term success of social security programs therefore depends on stronger institutional coordination, simplified procedures, and enhanced legal accountability. Continuous monitoring, policy adaptation, and inclusive implementation strategies are essential to ensure that statutory mandates are effectively translated into meaningful social protection for unorganized workers in India.