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An examination of the Indian government's financial support for workers' social security schemes

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Abstract
Labour welfare is a cornerstone of inclusive and sustainable economic development, especially in a diverse and populous country like India. The analysis focuses on identifying the sources of funding for welfare initiatives and critically assessing their adequacy, operational efficiency, and long-term sustainability when catering to the formal and informal labour markets. This paper presents a conceptual analysis based on secondary data gathered from the official websites of key institutions like the Employee Provident Fund Organisation (EPFO), the Employee State Insurance Corporation (ESIC), the Ministry of Labour & Employment, the Ministry of Finance, and other relevant bodies. Workers in the formal sector are covered by statutory social security schemes such as the Employees' Provident Fund (EPF), Employees' Pension Scheme (EPS), Employees' Deposit Linked Insurance (EDLI), and Employees' State Insurance (ESI), offering retirement, health, and insurance benefits. In contrast, unorganised sector workers rely on government welfare schemes like the Indira Gandhi National Old Age Pension Scheme, Atal Pension Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Jan Dhan Yojana, Janani Suraksha Yojana, and Aam Aadmi Bima Yojana aim to provide basic social protection, including pensions, insurance, and financial inclusion for vulnerable groups. The analysis is presented using tables. The study examines data on formal sector schemes spanning the period from 2008-09 to 2022-23. In contrast, for informal sector schemes, only data for 2022-23 is analysed due to the unavailability of previous years' data. The study found that formal sector policies since 2016 have had a discernible effect on expanding access to formal social security mechanisms. However, schemes designed for the informal sector, despite their extensive reach, often provide substantially lower financial benefits on a per capita basis. A key limitation of these informal sector programs is the absence of consistent and comparable data over time, which restricts meaningful longitudinal analysis. The absence of gender-disaggregated reporting further impairs the ability to evaluate the equity and inclusiveness of these initiatives, particularly in light of the gendered nature of labour market vulnerabilities. Addressing these gaps necessitates an integrated approach involving the digitisation of welfare delivery systems, the consolidation of beneficiary databases, and enhanced accountability in resource allocation.

Keyword: Labour welfare, social protection, formal labour market, informal labour market, India

Introduction
Social protection includes a range of policies and interventions that aim to reduce poverty and vulnerability by making labour markets more efficient, lowering people's exposure to risks, and helping them cope with income shocks or disruptions (Mokomane, 2013; Sharma *et al.*, 2016; Srivastava, 2016) [22, 26, 29]. Guhan's framework for social protection policies outlines three broad categories: protection, prevention, and promotion. The protection category focuses on policies that safeguard a minimum welfare standard for those in difficulty. Prevention is represented by policies that aim to keep individuals from falling below a socially acceptable level of welfare. The promotion component seeks to address future vulnerabilities by implementing policies that reduce individuals' exposure to risk and enhance their overall well-being (Guhan, 1994) [12]. Social protection plays a vital role in promoting sustainable development, upholding social justice, and guaranteeing the universal right to social security. Effective social protection policies and programs help create more job opportunities, reduce the risk of losing human capital, and prevent individuals from falling into poverty during financial or economic crises (Shu Hong *et al.*, 2017) [28]. In economies where informal employment dominates, achieving social justice necessitates

social protection systems that ensure basic welfare and financial stability. When discussing the concept of security, it's important to recognise that it operates on both macro and micro levels. The macro level relates to security at the scale of a country or region, focusing on broader systemic stability. In contrast, the micro level concerns the security of individuals or households. Take food security as an example: at the macro level, it refers to a nation's ability to produce or procure enough food to meet the needs of its population- essentially, national food adequacy or self-sufficiency. On the other hand, at the micro level, food security means that individuals or families have reliable access to at least two nutritious meals each day throughout the year. These two dimensions, though connected, address very different challenges (Unni & Rani, 2003) [30]. Labour welfare refers to an individual's or group's state of living in a desirable relationship with their environment. Labour welfare is a part of social welfare and includes elements like working hours, conditions, safety, health insurance, provident funds, pensions, and education (Bhattacharjee, 2015) [4]. According to the International Labour Organization "Worker's welfare should be understood as meaning such services, facilities and amenities which may be established in, or in vicinity of, an undertaking to enable the persons employed there to perform their work in healthy congenial surrounding and provides all voluntary acts by employer aimed at improvement and betterment of workers social moral and social economic and intellectual conditions." India's labour market is divided into formal and informal sectors, with approximately 92% of the workforce employed in the informal sector and the remaining 9% workforce employed in the formal sector (Fasih, 2011; Rajashekhar, 2008) [11, 24]. The most comprehensive data on employment in India is collected by the National Sample Survey Organisation (NSSO) through its quinquennial surveys (Shaw, 2013; Apte *et al.*, 2018; Jajoria & Jatav, 2020) [27, 1, 15]. After the 2011-12 survey, the NSSO transitioned to a new system and began publishing employment data through the PLFS, starting in 2017-18 (Jajoria & Jatav, 2020; Chand & Singh, 2022) [15, 5].

Table 2: Various Social Protection Schemes for Unorganised Sector Workers

Name of the Scheme	Objective	Eligibility	Benefits	Contributors	Registration Process	Ministry/ Department
Indira Gandhi National Old Age Pension Scheme (19th November 2007- till)	Provides social assistance benefits to economically disadvantaged households in the event of the death, maternity, or old age of the primary breadwinner. Ensures uniform and uninterrupted social protection for beneficiaries across the nation.	The individual applying must be a citizen of India, aged 60 years or older, and belong to a household below the poverty line.	A monthly pension of Rs. 200 is provided up to the age of 79 years, with an increase to Rs. 600 thereafter.	Only the central government will contribute.	One-time registration	Ministry of Rural Development
Atal Pension Yojana (9th May 2015- till)	It aims to protect and secure Indian citizens against various issues such as illnesses, accidents, and diseases.	Employee age should be 18-40 years, and he/she must have a savings bank account.	Monthly income of Rs 1000,2000, 3000, 4000,5000, depending on the age of the receiver when he/she joined the scheme	The Central Government will contribute 50% or Rs. 1000, whichever is less. Employee contribution is decided according to his /her age of joining the scheme	One-time registration	Pension Fund Regulatory and Development Authority (PFRDA)
Pardhan Mantri Jeevan Jyoti Yojana (PMJJBY) (May 2015- till)	It aims to provide affordable life insurance to individuals. This scheme covers accidental deaths and disability that occur due to accidents.	The age of the employee should be 18-50 years	Rs. 2 lakhs on death, Rs. 1 lakh on partial disability, Rs. 4 lakhs on accidental death	Employee contributes Rs. 436 annually	1st June to 31st May (Renewed every year)	Ministry of Finance
Pardhan Mantri Surksha Bima Yojana (PMSBY) (May 2015- till)	It aims to provide accidental insurance with a low premium amount against accidental deaths and disability.	The age of the employee should be 18-70 years	Rs. 2 lakhs on death, Rs. 1 lakh on partial disability, Rs. 4 lakhs on accidental death	Employee contributes Rs. 12 annually	1st June to 31st May (Renewed every year)	Ministry of Finance
Pardhan Mantri Sharam Yogi Mann-Dhan Yojana (February 2019- till)	The Pradhan Mantri Shram Yogi Maandhan (PM SYM) is a government initiative aimed at providing social security to unorganised workers and ensuring financial protection for elderly individuals.	The employee must be between the ages of 18 and 40 years, with a monthly income not exceeding Rs. 15,000.	Rs. 3000 after 60 years of age	Employees contribute Rs. 55 to Rs. 200, based on their age at enrolment, with an equal contribution from the central government.	One-time registration	Ministry of Labour and Employment
Janani Suraksha Yojana	Janani Suraksha Yojana is a maternal health initiative under the National Health	Pregnant employee age should be 19	Rs. 500 for each birth up to two births.	Only the central government will contribute	One-time registration	Ministry of Health and Family

(12th April 2005- till)	Mission, aimed at reducing maternal and neonatal mortality by encouraging institutional deliveries among economically disadvantaged pregnant women.	years and belong to the Below Poverty Line				Welfare
Handicraft Artisans Comprehensive Welfare Scheme (5th May 2011- till)	The scheme aims to provide the artisan community with access to top-tier healthcare facilities in the country. It extends coverage not only to artisans but also to their wives and two children.	Any age- 80 years	The benefit is provided for 5 years, and after 3 years, it should be renewed.	The central government will contribute Rs. 697 or Rs. 797 per annum, and the employee will contribute Rs. 100 or Rs. 200 per annum	One-time registration	Ministry of Textiles
Handloom Weavers Comprehensive Welfare Scheme (1st December 2016- till)	The Handloom Weavers Comprehensive Welfare Scheme offers handloom weavers life, accident, and disability insurance through the Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and the converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY).	Age must be 18-59 years	Weavers aged 18-50 will be covered under PMJJBY and PMSBY, while those aged 51-59 will be covered under the converged MGBBY. Additionally, a scholarship of Rs. 100 per month per child, for up to two children, will be provided, provided they are enrolled in grades 9 to 12.	The Government of India contributes Rs. 290, LIC contributes Rs. 100, and Weavers contribute Rs. 80	One-time registration	Ministry of Textiles
Aam Aadmi Bima Yojana (2nd October 2007- till)	The scheme's main aim is to provide financial support to low-income households when the primary breadwinner dies or becomes disabled. It is directed toward workers in unorganised sectors such as agriculture, fisheries, dairy, handloom, construction, and other similar occupations.	Employees must be ages of 18-59 years and must be an earning person of the family below the poverty line	A compensation of Rs. 75,000 is provided for accidental death or complete disability, Rs. 37,500 for partial disability, and Rs. 30,000 for natural death. Additionally, a scholarship of Rs. 100 per month is given for up to two children, provided they are enrolled in grades 9 to 12.	Premium is Rs. 200, in which the Central Government will contribute 50% and the State government will contribute 50%	One-time registration	Ministry of Labour and Employment
Rastriya Swasthya Bima Yojana (1st April 2007-till)	The Rashtriya Swasthya Bima Yojana (RSBY) offers health insurance to families living below the poverty line (BPL). Its objective is to shield these households from the high financial costs of hospitalisation and other health-related emergencies.	No age limit and must belong to the below poverty line	Rs. 30000 as health insurance, and up to 5 members of the family can take benefits	Centre and State governments will contribute equally, and the beneficiary has to contribute Rs. 30 every year to get it renewed	One-time registration, but get it renewed every year	Ministry of Health and Family Welfare.
Atal Beemit Vyakti Kalyan Yojana (2018- June 2024)	To provide monetary relief to the unorganised workers in case of unemployment	Must have worked 2 years before unemployment, and only individuals who have been insured for at least 78 days throughout the preceding four contribution periods are eligible.	This scheme is a welfare initiative for employees covered under Section 2(9) of the ESI Act, 1948, providing a relief payment for up to 90 days, available once in a lifetime.	The central government will pay 50% of the earlier wages for 90 days only once in the lifetime of the employee	One-time registration	Ministry of Labour and Employment
Jan Shree Bima Yojana	The scheme aims to provide financial	Age must be 18-59 years, and	In the case of natural death, a sum of Rs.	Only the central government will	One-time registration	Ministry of Labour and

(1 January 2013- till)	assistance to the employee's family in the event of his disability or natural or accidental death.	must be an earning member of the family below the poverty line	30,000 is provided; for accidental death, Rs. 75,000 is given; in the event of total permanent disability, Rs. 75,000 is provided; and for partial permanent disability, Rs. 37,500 is offered.	contribute		Employment
Mahatma Gandhi Bunkar Bima Yojana (December 2003- till)	The primary objective of the scheme is to offer expanded insurance coverage to handloom weavers in the event of natural or accidental death, as well as in cases of total or partial disability.	All weavers, both male and female, fall within the age range of 18 to 59 years.	In the event of accidental death or complete disability, Rs. 150,000 is payable to the nominee. For partial disability resulting from an accident, Rs. 75,000 will be paid to the nominee, and Rs. 60,000 is provided in case of natural death.	The Centre government will contribute Rs.290, LIC will contribute Rs. 100, and the weaver will contribute Rs. 80	One-time registration, but get it renewed every year	Life Insurance Corporation of India
Antyodaya Shramik Suraksha Yojana (8 June, 2023 - till)	The primary objective of the scheme is to assist in the event of natural or accidental death, as well as in cases of total or partial disability.	All workers in the unorganised sector, aged between 18 and 59 years, are eligible.	In case of accidental death or total/partial disability, the nominee receives ₹10 lakh under the ₹10-lakh coverage plan and ₹5 lakh under the ₹5-lakh plan. Additionally, in the event of death, children are eligible for educational assistance of ₹1 lakh.	The employeecontributed Rs. 289 for Rs. 5 lakh coverage and Rs. 499 for Rs. 10 lakh coverage	One-time registration, but get it renewed every year	Ministry of Labour and Employment

Source: Ministry of Statistics and Programme Implementation (2024)

Table 3: Schemes Launched by the Government of India for Organised Sector Workers

Name of the scheme	Objectives	Eligibility	Benefits	Contributors	Registration Process	Ministry/ Department
Employee's State Insurance Scheme (August 2015- till)	To offer social security to workers concerning sickness, permanent or temporary disability, or death during employment	Employees earning wages up to Rs. 21000 per month. Establishments with 20 or more employees	Sickness benefit at 70% of the average daily wage up to 91 days in two consecutive benefit periods. Disablement benefits up to 90% of daily wages till temporary disablements last, and 90% of daily wages for the whole life in case of permanent disablements. Dependents' benefits up to 90% of daily wages shared equally by all dependents and till the lifetime of the widow or her/his remarriage and up to 25 years of children age. Maternity benefits provide up to 100% of daily wages for 12 weeks in case of delivery and 6 weeks in the event of a miscarriage.	Employer contributes 3.25%, and employee contributes 0.75%	One-time registration	Ministry of Labour and Employment
Employee Provident Fund Scheme (1952- till)	Ensure financial security for employees during their retirement years.	Establishments with 20 or more employees. Mandatory for salaried employees earning up to Rs. 15,000 and employees with more than Rs. 15000 may register for EPF account approval from the Assistant PF Commissioner.	EPF offers a fixed interest rate of 8.15%. Interest earned is tax-free but taxed according to the employee's slab upon withdrawal.	12% of the basic salary is shared equally by both the employer and the employee	One-time registration, but monthly deduction of the amount	Employees' Provident Fund Organisation (EPFO)
Employee Pension Scheme	It offers financial security to employees of the	The employee must have completed a minimum of 10 years	Provides a fixed income upon retirement at the age of 58, or after early retirement at 50.	Employer contribution of 8.33% out of 12%	One-time registration	Employees' Provident Fund

(1995- till)	organised sector after retirement by providing them a guaranteed pension based on years of service and contributions	of service.	Allows for the complete withdrawal of the pension amount at the age of 58 if the member leaves service 10 years before reaching 58.	of the EPF scheme goes to the employee pension scheme.		Organisation (EPFO)
Employees Deposit Linked Insurance Scheme (1976- till)	To guarantee financial assistance for the family of EPFO members in the event of the employee's death.	Any establishment with 20 or more employees maintaining an EPF account automatically qualifies for the EDLI scheme.	In the event of an EPFO member's death during their service period, the nominee or legal heir is entitled to a lump sum payment of up to Rs. 7 lakhs.	The employer is required to contribute 0.5% of the employee's basic salary, capped at ₹75 per employee per month.	One-time registration	Employees' Provident Fund Organisation (EPFO)

Source: Ministry of Statistics and Programme Implementation (2024)

Table 4: Literature Review

Author (Year)	Country	Findings
Gupta & Hagemann (1994) [13]	Russia	Social protection systems in post-Soviet Russia struggled to adjust to economic transition and weak institutions. In the 2000s, the Putin administration strengthened a centralised, paternalistic welfare model to bolster state legitimacy. However, regional disparities, bureaucratic hurdles, and Soviet-era legacies continue to shape Russia's hybrid welfare system, balancing market forces, political control, and social needs.
Unni & Rani (2003) [30]	India	Despite measures like MGNREGA and the Unorganised Workers' Social Security Act (2008), the study points to persistent issues such as limited coverage, weak implementation, and fragmented institutions. Successful examples like SEWA demonstrate that community-based, rights-oriented models can greatly enhance social protection for informal workers.
Sarkar (2004) [25]	India	Findings show that the informal nature of work is characterised by irregular incomes, absence of formal contracts, and high mobility, which requires flexible and adaptive models of social protection.
Baulch *et al.* (2006) [3]	Asia	The Asian Development Bank (ADB) developed the SPI framework, combining indicators on social protection spending, coverage, distributional impact, and poverty-reduction effectiveness. Major challenges include inconsistent data, differing country definitions, and limited gender or vulnerability-based disaggregation.
Dhas & Helen (2008) [8]	India	Unorganised sector workers face multiple insecurities like lack of food, nutrition, health care, housing, and employment security, income uncertainty, absence of insurance against life and accidents, and lack of old-age support.
Mahmood (2010) [18]	India	Low coverage, limited awareness among workers, and poor coordination between social security agencies are key drawbacks. Stronger legislation is required to support social security for the unorganised sector, with clear procedures and penalties for fraud or intentional misreporting.
Hayashi (2010) [14]	Japan	The system is increasingly strained by rapid population ageing and low birth rates, weakening public finances and the workforce. The study warns of the pension system's long-term fragility, rising healthcare costs, and widening income gaps- especially for non-regular workers and single-parent households.
Fasih (2011) [11]	India	Welfare programmes like RSBY and various pension schemes exist, but their fragmented design and limited outreach reduce their effectiveness. The study notes that despite the Unorganised Workers' Social Security Act (2008), many informal workers still lack formal protection due to weak implementation, low awareness, and administrative gaps.
Dafermos & Papatheodorou (2012) [6]	European Union Countries	Flexible labour markets may raise employment but heighten income insecurity without strong social protection. The study stresses comprehensive welfare to curb in-work poverty while ensuring labour market efficiency.
Majumdar & Borbora (2013) [19]	India	Various government schemes such as the Employees' State Insurance Scheme (ESIS), Pradhan Mantri Shram Yogi Maandhan (PMSYM), Atal Pension Yojana (APY), and the Unorganised Workers' Social Security Act, 2008, aim to provide benefits like health insurance, old-age pensions, and maternity benefits. These schemes face multiple challenges, including limited awareness among workers, complex registration procedures, inadequate implementation, irregular contributions, and lack of portability across states and occupations.
Nabi (2013) [23]	Pakistan	Nabi found that BISP and the Punjab Skills Development Initiative face financial, administrative, and monitoring challenges, highlighting the need for better targeting, funding, and evaluation for sustainable social protection in Pakistan.
Jha (2014) [16]	India	The study highlights welfare programs like PDS, MGNREGS, and pension schemes as key tools in reducing poverty and enhancing social security. It stresses improving their efficiency and impact, particularly for female participation and access.
Kapur & Nangia (2015) [17]	India	The authors note that India's focus on social protection- offering immediate political gains- has come at the expense of long-term public goods such as education, healthcare, and infrastructure, thereby affecting resource distribution and public service quality.
Vidhate & Kundap (2016) [31]	India	Schemes like Sukanya Samridhi Yojana, Atal Pension Yojana, PMJJBY, and PMSBY aim to support rural workers. Still, low awareness, limited access, digital illiteracy, language barriers, and administrative inefficiencies hinder their impact.
Sharma *et al.* (2016) [26]	India	Using a Social Accounting Matrix, the authors find that MGNREGA, IAY, and NSAP not only provide direct job and income support to low-income households but also generate significant indirect effects on output, demand,

		and tax revenues across sectors.
Srivastava (2016) [29]	India	The study highlights major issues in India's social protection system, particularly its inability to effectively cover the vast informal workforce. Despite the presence of numerous welfare schemes, challenges such as fragmented implementation, inadequate funding, limited legal coverage, and low benefit levels hinder their impact.
Mishra (2017) [20]	India	India's unorganised sector workers face several critical issues, including unstable employment and hazardous working conditions. Effective expansion of the social security system intended for informal workers is required in remote locations and areas distant from administrative hubs.
Dreze & Khera (2017) [9]	India	The authors examined programs like the Mid-Day Meal Scheme, ICDS, MGNREGA, PDS, and social security pensions, noting that while India's social policy has progressed, it is still constrained by limited budgets, bureaucratic hurdles, and weak political commitment.
ShuHong *et al.* (2017) [28]	Pakistan	The authors assessed two social protection schemes, particularly the Benazir Income Support Programme (BISP) and the Ehsaas Programme. The research highlights several challenges, including fragmented program structures, underfunding, limited coverage, and the exclusion of informal workers.
Asher (2017) [2]	India	Key schemes such as PMJDY (financial inclusion), PMUY (clean cooking fuel), Ayushman Bharat (health insurance), and PM-KISAN (farm income support) have expanded coverage but face challenges related to exclusion, affordability, and implementation gaps. The COVID-19 pandemic highlighted the strengths of India's welfare architecture while also exposing significant gaps, especially among informal and migrant workers.
Farooqui & Pandey (2020) [10]	India	Schemes like PM Shram Yogi Maandhan, Atal Pension Yojana, PMJJBY, PMSBY, and NSAP aim to support informal workers, but low awareness, limited coverage, weak institutions, fragmented implementation, and lack of legal frameworks hinder their effectiveness.
Mohurle *et al.* (2022) [21]	India	Key schemes like MGNREGA, EPF, and ESIS support formal workers, while APY, PMJJBY, and PMSBY target the unorganised sector. Though digital platforms and DBT improve transparency, administrative bottlenecks, low awareness, and uneven regional reach limit their effectiveness.
Hoop *et al.* (2022) [7]	India	The findings show that every 100 additional SHG members generate 26 more MGNREGA job card applications and 14 more households gaining employment, with stronger effects for SC and ST households. SHGs thus act as key platforms for economic empowerment and improving access to state welfare schemes.

Source: The Authors

Research Gap and Methodology

While many studies explore the theoretical framework of labour welfare and social protection, few provide empirical data or analyse the actual financial flows to workers across both the formal and informal labour markets in India. This paper is the first study to explore the financial flows directed toward employees in both the formal and informal labour markets. The study examines data on formal sector schemes spanning the period from 2008-09 to 2022-23. In contrast, for informal sector schemes, only data for 2022-23 is analysed, due to the unavailability of previous years' data. The study will use descriptive statistics to analyse the labour force composition in India since the economic reforms.

Results and Discussion

Table 5: Employee Provident Fund Organisation Schemes

Financial Year	Employee Provident Fund Scheme		Employee Pension Scheme		Employee Deposit Linked Insurance Scheme
	Total no. of Beneficiaries (in lakhs)	Amount Disbursed (Rs. in Crore)	Total no. of Beneficiaries (in lakhs)	Amount Disbursed (Rs. in Crore)	Amount Disbursed (Rs. in Crore)
2008-09	470.72	15323.27	3246131	4998.94	48.63
2009-10	587.96	16932.67	3510006	5654.92	49.48
2010-11	615.89	22064.93	3600089	6146.90	46.51
2011-12	855.40	30328.00	4103014	7640.72	93.66
2012-13	887.62	25956.38	4400231	9038.52	123.88
2013-14	890.52	27554.12	4690669	10900.32	123.36
2014-15	910.57	29965.48	5104397	12600.94	130.26
2015-16	934.27	29254.10	5357781	13545.17	118.69
2016-17	970.35	31746.54	5649797	15510.23	217.78
2017-18	1552.940	37683.75	6273190	16597.04	275.39
2018-19	6112.223	37842.11	6451746	18843.75	328.67
2019-20	7858.394	37015.68	6682717	18117.51	355.34
2020-21	7708.375	40625.37	6919823	20378.97	451.64
2021-22	12234.625	41316.70	7273898	20922.14	519.20
2022-23	13851.689	41385.52	7558913	21796.85	559.45

Source: EPFO, 2025

The Employees' Provident Fund Organisation (EPFO) administers three key schemes for employees in the formal sector: the Employees' Provident Fund (EPF) Scheme, the Employees' Pension Scheme (EPS), and the Employees' Deposit Linked Insurance (EDLI) Scheme. Data from Table 5 indicates a consistent increase in EPF scheme beneficiaries, rising from 470.72 lakh in 2008-09 to 13,851.689 lakh in 2022-23. Correspondingly, disbursals under the EPF scheme increased from ₹15,323.27 crore in 2008-09 to ₹41,385.52 crore in 2022-23. The EPS also recorded growth in the number of beneficiaries, from 32.46 lakh in 2008-09 to 75.59 lakh in 2022-23, with pension payouts increasing from ₹4,998.94 crore to ₹21,796.85 crore during the same period. However, data concerning the number of beneficiaries under the EDLI scheme remains unavailable on official platforms. Nevertheless, disbursements under the scheme rose from ₹48.63 crore in 2008-09 to ₹559.45 crore in 2022-23.

Table 6: Employee State Insurance Scheme

Financial Year	Total no. of Beneficiaries (in lakhs)	Amount Disbursed (Rs. In Crore)
2008-09	50100234	195552.75
2009-10	55484000	255822.73
2010-11	60256590	314198.49
2011-12	66351717	402483.63
2012-13	72098160	564572.34
2013-14	75844766	648661.23
2014-15	78933944	760673.45
2015-16	82884094	820758.23
2016-17	124016091	950654.24
2017-18	133205444	854163.13
2018-19	135672270	1104794.52
2019-20	132479263	1296327.23
2020-21	131607156	1376371.02
2021-22	120359812	1718448.01
2022-23	133073951	1573388.02

Source: ESIC, 2025

The Employee State Insurance Scheme, a formal sector welfare program managed by the Employee State Insurance Corporation (ESIC) under the Ministry of Labour & Employment (MLE), has demonstrated distinct patterns in beneficiary enrolment and financial disbursements. According to Table 6, the number of beneficiaries under this scheme increased from 50,100,234 lakh in 2008-09 to 135,672,270 lakhs in 2018-19. However, following 2018-19, there was a marked decline in the number of beneficiaries. Nevertheless, the number of beneficiaries began to rise once again in 2022-23 compared to the figures from 2021-22. In terms of financial allocations, the total amount disbursed to employees under the ESI scheme was ₹1,95,552.75 crore in 2008-09. The disbursements followed an upward trajectory until 2021-22, but in 2022-23, there was a decrease in the amount disbursed in comparison to the preceding year.

Table 7: Unorganised Sector Schemes 2022-23

Scheme	Total no. of beneficiaries (in lakh)	Amount Disbursed (in crore)
Indira Gandhi National Old Age Pension Scheme	28003365	6165.27
Atal Pension Yojana	51319825	2078.94
Pardhan Mantri Jeevan Jyoti Yojana	92778284	13290.40
Pardhan Mantri Surksha Bima Yojana	117461	2302.26
Pardhan Mantri Sharam Yogi Mann-Dhan Yojana	268616	194.56
Janani Suraksha Yojana	479996	18779.97
Handicraft Artisans Comprehensive Welfare Scheme	3114468	383.81
Handloom Weavers Comprehensive Welfare Scheme	39315	88.64
Aam Aadmi Bima Yojana	92895745	14098.82
Atal BeemitVyakti Kalyan Yojana	43299	571.838
Jan Shree Bima Yojana	45622238	58201.85
Mahatma Gandhi Bunkar Bima Yojana	629000	
Antyodaya Shramik Suraksha Yojana	36049	1125.03

Source: Ministry of Finance (GoI, 2025)

In Table 7, several specific schemes for the unorganised sector, managed by the Ministry of Labour & Employment, are detailed for the year 2022-23. According to the data, the Indira Gandhi National Old Age Pension Scheme benefited 28,003,365 lakh employees, with a total disbursement of ₹6,165.27 crore. The Atal Pension Yojana reached 51,319,825 lakh employees, distributing ₹2,078.94 crore. The Pradhan Mantri Jeevan Jyoti Yojana provided benefits to 92,778,284 lakh individuals, with ₹13,290.40 crore disbursed. Under the Pradhan Mantri Suraksha Bima Yojana, 117,461 employees received benefits, totalling ₹2,302.26 crore in disbursements. The Pradhan Mantri Shram Yogi Maandhan Yojana supported 2,686,16,000 lakh beneficiaries, disbursing ₹194.56 crore. The Janani Suraksha Yojana benefited 479,996 lakh employees, with ₹18,779.97 crore disbursed. The Handicraft Artisans Comprehensive Welfare Scheme covered 3,114,468 lakh beneficiaries, with ₹383.81 crore allocated, while the Handloom Weavers Comprehensive Welfare Scheme benefited 399,315 lakh employees, disbursing ₹88.64 crore. Additionally, the Aam Aadmi Bima Yojana reached 92,895,745 lakh individuals, distributing ₹14,098.82 crore, and the Jan Shree Bima Yojana covered 45,622,238 lakh employees, with ₹58,201.85 crore disbursed. These figures reflect the significant reach and financial support of these schemes within the unorganised sector, but do not cover all the employees.

Conclusion and Policy Implications

In India, 92% of the workforce is employed in the informal sector, and about 8% are in the formal sector. The sustainable financing of labour welfare in India remains a complex yet critical challenge, particularly in light of the country's vast informal workforce. While various schemes and policies have been introduced to improve labour welfare, disparities persist between the formal and informal sectors in terms of access, awareness, and benefits received. This could be due to factors such as workers' illiteracy, limited awareness of specific schemes, the lengthy time required for completing documentation procedures, limited financial resources, etc. The funds allocated in the government budget for various schemes often fail to align with the actual benefits provided to the intended recipients. Formal sector workers generally benefit more from these schemes, whereas informal workers, who constitute a large portion of the workforce, remain disproportionately underserved despite their higher vulnerability. Expanding social protection for informal workers and enhancing digital literacy and outreach can address the current gaps. There is a need to increase and stabilise public expenditure on labour welfare, especially in sectors with high informal employment. Budg*et al*locations should be more targeted, transparent, and performance-linked to ensure long-term sustainability. Policies should focus on gradually formalising the informal sector through incentives for registration, simplified compliance norms, and the extension of social security benefits to gig and platform workers. Addressing these issues will improve social security and contribute to a more equitable and resilient economy.

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