(स्थापना/ Established in 1956)
बेहतर भविष्य के लिए क्षमता निर्माण
Capacity Building for a Better Future

IIPS RESEARCH BRIEF

IIPS

Number 24

August 2025

Social Security Coverage among Regular Wage earners in India, 2017-24

Sanjay K Mohanty and Jyoti Sankar Hota

Background

The social security coverage among workers is a protection against economic uncertainties, a right to employment, a form of investment and a means to achieve the SDGs. India accounts about one-fifth of labour force worldwide (817 million) and committed to increase the social security coverage among workforce in the country. However, employment India is increasing informal and contractual. Among all those working, 54.15% were self-employed, 28.23% were regular salaried workers, and 17.62% were casual labourers. Regular workers are those who worked in farm or non-farm enterprises (both household and non-household) for salary or wages on a regular basis (i.e. not on the basis of daily or periodic renewal of work contract), both full time and part-time. In contract, a person is said to be casual worker if he/she received wages according to the terms of the daily or periodic work contract. Many of the causal worker, self-employed and informal sector do not have provision of any form of social security while regular worker believed to have some form of social security coverage. Evidences suggests that despite legislative act, over 85% informal workers in India does not have social security benefits (Talawar & Singh, 2024; Gupta & Chandra, 2021). In this context, this research brief examines the recent change in coverage of social security among regular wage earners in the working age group (15-64) in India.

Data and Methods

We have used microdata from Schedule 10.4 of the 75th round (2017-18) and the 80th round (2023-24) of the Periodic Labour Force Survey (PLFS), conducted by the National Sample Survey Organisation (NSSO). The PLFS provides comprehensive information on employment, unemployment, types of employment, social security benefits, and the nature of jobs among eligible respondents. Employment data were collected based on both the principal and subsidiary status of workers in rural and urban areas. A person was classified as working under principal status if they worked for more than 183 days during the reference year, and under subsidiary status if they worked for at least 30 days. The survey collected data on social security benefits coverage among regular wage earners and casual labourers, under both usual and subsidiary statuses. The questions on type of social security that were recorded as only pension, only health care, only gratuity, pension & gratuity, pension & health care, gratuity & health care, pension, gratuity & health care, not covered and not known.

The 75th round covered a total of 102,113 households and 433,339 individuals classified under principal usual status. Similarly, the 80th round surveyed 101,920 households and 418,159 individuals. The questions regarding social security benefits were asked only to those classified as "regular salaried" or "casual labourers." The total number of individuals in regular categories were 42,985 in 2017-18 and 46,445 in 2023-24. We limit the analyses to regular wage earner in the working age group (15-64) that included 42,528 individuals in 2017-18 and 45,927 individuals in 2023-24.

Availability of any social security among regular wage earners is the outcome variable. The type of social security benefits was recategorised into four broad categories: namely, no Benefit, either pension or gratuity or health, any two of gratuity, pension, and health and all three (pension, gratuity & health). We examined the variations in social security coverage among regular wage earners in working age group across sex, place of residence, religion, caste, general educational level, technical education, marital status, job contract, enterprise type, MPCE quintile (poorest/poorer/middle/richer/richest). Descriptive statistics and bivariate analyses were used to examine the distribution of social security benefit coverage across population subgroups for regular wage earners in working age group.

Result

Table 1. Percent Distribution of Surveyed Population by Primary Activity Status and Type of Employment among population aged 15-64 in India, 2017-24

	2017-18			2023-24		
	Male	Female	Person	Male	Female	Person
Overall	1,54,656	1,50,133	3,04,831	1,45,103	1,44,684	2,89,796
Self-employed	37.64	10.16	22.94	39.97	18.81	28.84
Regular wage/salary	17.91	4.94	13.95	20.55	6.8	15.85
Casual labour	18.35	5.84	9.21	17.48	5.65	9.76
Domestic duty & other	0.75	62.08	30.17	0.53	51.64	24.86
Unemployed	5.23	1.48	3.97	3.25	1.65	3.02
Studying	16.22	12.17	16.2	14.82	12.43	14.46
Disability	2.04	2.3	2.15	1.66	2.3	2.04
Rent/pension/remittance	1.01	0.46	0.72	1.23	0.52	0.83
Others	0.84	0.57	0.7	0.53	0.2	0.35

**Person also includes the third gender*

Table 1 presents working age population surveyed in 2017-18 and 2023-24 in 15-64 age group. The distribution suggests that the self-employment had increased from 22.94% in 2017-18 to 28.84% by 2023-24. Among men, it had increased from 37.64% to 39.97%, and among women it increased from 10.16% to 18.81% between 2017-18 and 2023-24 respectively. The share of regular wage/salary worker had increased from 13.95% in 2017-18 to 15.85% in 2023-24. Among men it increased from 17.91% to 20.55% compared to an increase from 4.94% to 6.80% among women in India. The share of casual labour increased from 9.21% in 2017-18 to 9.76% in 2023-24. Among men it had declined from 18.35% to 17.48%, and among women from 5.84% to 5.65%, during 2017-18 and 2023-24.

Fig 1a: Percent distribution of Regular Workers among population aged 15-64 by States of India (2017-18) **Fig 1b: Percent distribution of Regular Workers among population aged 15-64 by States of India (2023-24)**

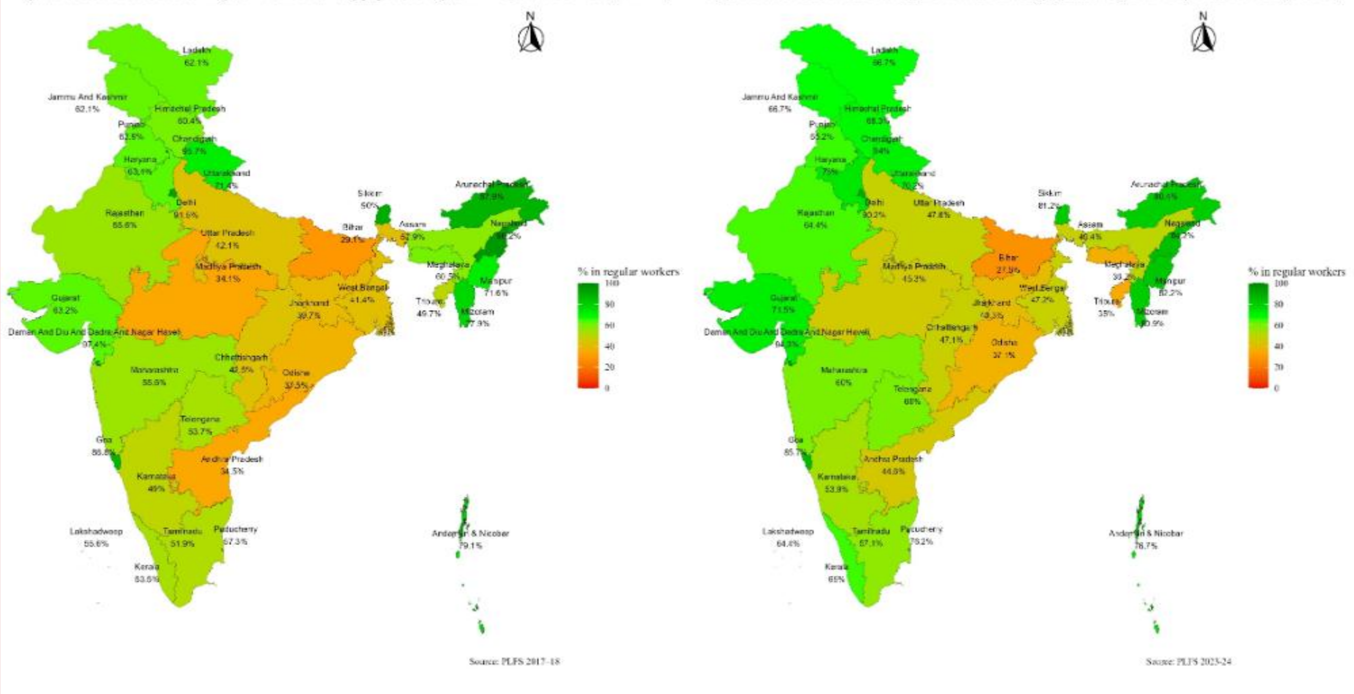


Figure 1 shows the share of regular worker among working population in states of India in 2017-18 and 2023-24. In both period, the coverage of social security coverage among regular worker in working age was highest in Gujarat followed by Chandigarh, Delhi and Goa. The coverage was least in the states of Bihar followed by Tripura, Meghalaya, Odisha and Jharkhand. The share of regular workers was relatively higher in relatively developed state and union territories of India. Overall, we found large inter-state variation in share of regular wage earners in India. While many states of India had recorded increase in share of regular wage earner, the states such as Bihar, Tripura, Meghalaya, Odisha, Assam, Assam has recorded decline in share of regular worker during 2017-24.

Social security being a protective instrument is expected to be progressive in the sense that it should have greater coverage among poor as against the rich. However, an analysis of coverage of any form of social security among the regular workers across the axis of MPCE quintiles (See Figure 2) depicts a reverse pattern with poor being less protected as against the rich. The only satisfying aspect of the prevailing pattern is the rising coverage of social security over time. We found strong economic gradient in coverage of social security among working population in India. The coverage of any social security among richest MPCE quintile is at least three times more than the poorest MPCE quintile. Over time, the coverage of any social security had increased across all economic groups except richest MPCE quintile This is with an exception of the richest MPCE quintile showing a marginal decline in social security provisioning from 68.89% to 64.89%. Given this poor coverage of social security among the regular wage salaried workers, one can imagine the general scene of social security safety net in the nation as a whole. This empirical verification on social security coverage among the most privileged working category says a lot on the attention needed on this subject of significance and promotion of social security safety net among India's large work force. Social security planning should become an inseparable segment.

Fig 2: Percentage of regular workers having any social security benefits among population aged 15-64 across MPCE quintile in India, 2017-18

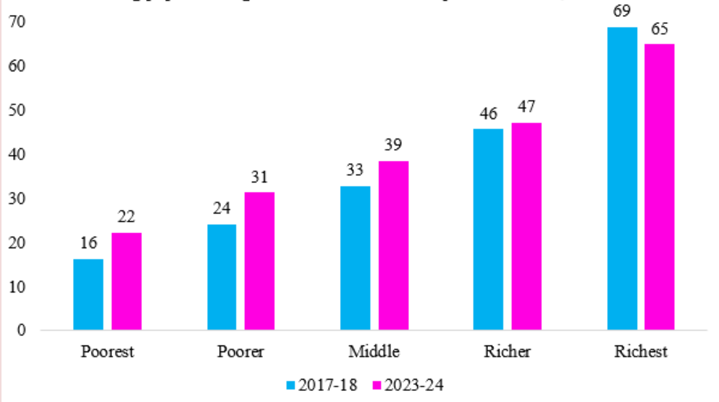


Fig 3a: Distribution of regular workers among population aged 15-64 by type of social security benefits 2017-18

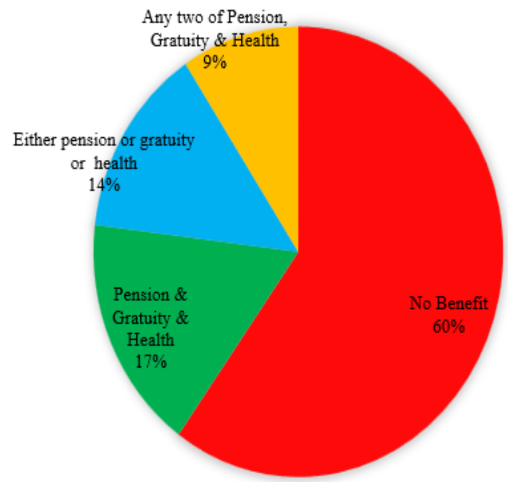
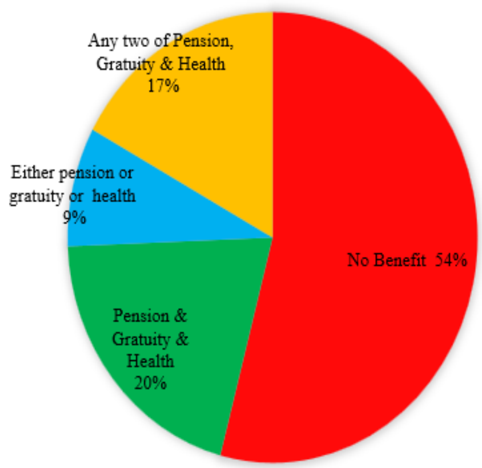


Figure 3b. Distribution of regular workers among population aged 15-64 by type of social security benefits 2023-24



Furthering this exploration regarding the type of social security (See Fig 3a and Fig 3b), it is revealing that there is an improvement in coverage over time, despite the fact that more than 50% of regular workers remain without the umbrella of social security. As regards the form of social security pension, gratuity, and health have the largest share with 17 per cent during 2017-18, which has increased to 20 per cent in the later period. Any one of the pension, gratuity, or health share was about 14 per cent, which has reduced to 9 per cent in the later period.

Reading the social security coverage in types and across regions over two points in time reveal a pattern dominant by non-coverage more than coverage (See Figure 4a and Figure 4 b). While national level non-coverage has improved from 60 per cent to 54 per cent over time, it is also accompanied by a more number of states with greater non-coverage when compared with the national level. Lower non-coverage is mostly observed in smaller states and the only large states like Karnataka, Tamil Nadu and Maharashtra present a coverage better than the national level. Pension gratuity and health seem to be the most popular means of social security, although not frequently, which have a reasonable share among those with social security cover. The coverage of any social-security benefit was highest in Arunachal Pradesh (75.76%), followed by Mizoram (73.61%) and Lakshadweep (73.4%) while it was lowest in Gujarat (28.95%) followed by Uttar Pradesh (31.22%) and West Bengal (31.81%). By 2023-24, the coverage of any social security was lowest in the state of Punjab (26.46%) followed by Rajasthan (33.05%) and Bihar (36.15%). The coverage of only one social security benefit (either pension, gratuity or health), was least in A & N Islands, followed by Chandigarh (2.04%) and Delhi (2.76%), while the highest share is in Mizoram (49.58%), Manipur (33.41%) and Daman & Diu (33.03%). In 2017-18, the coverage of all three form of social security such as pension, gratuity and health insurance was lowest in Daman & Diu (6.97%), Bihar (6.99%) and Uttar Pradesh (10.37%) while highest share in Lakshadweep (58.50%), A & N Islands (40.09%) and Jammu & Kashmir (38.03%). By 2023-24, it was highest in Nagaland (66.28%) followed by Arunachal Pradesh (63.99%) and Mizoram (59.09%).

Fig 4a: Distribution of type of social security benefits among regular workers aged 15-64 across states 2017-18

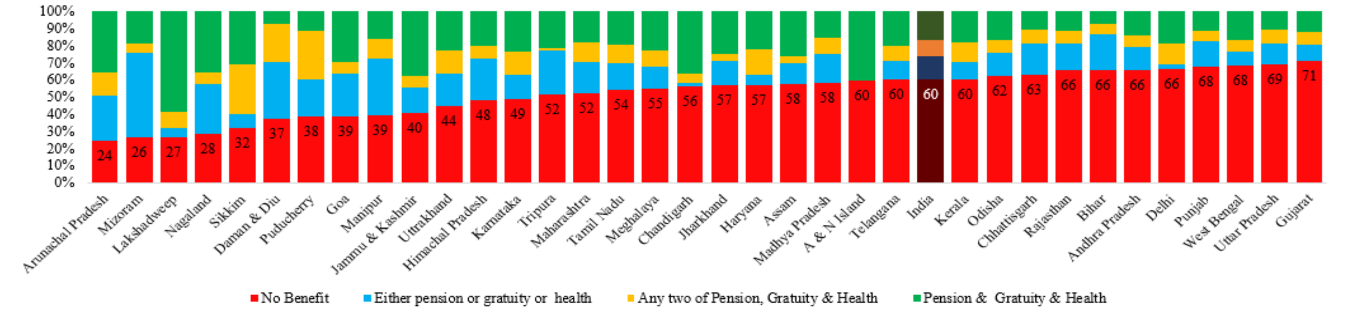
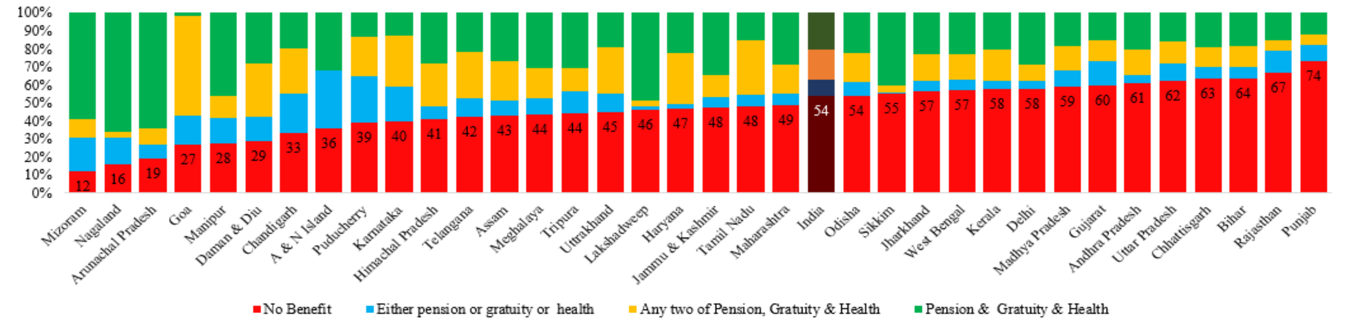


Fig 4b: Distribution of type of social security benefits among regular workers aged 15-64 across states 2023-24



Conclusion

The social security coverage among regular worker has recorded a marginal increase in last decade. However, the level of social security coverage remained low in the country. The inter-state variations in this coverage is wide. The surprising feature is that the better developed state such as Punjab had lower coverage of all three type of social security while the north-eastern states had relatively better coverage of social security in the country. The state of Gujarat had shown significant improvement over time. Given this state of social security coverage among regular wage workers, the aspect of social security remains abysmal in the general population. With all positive intentions and initiatives to expand the social security net, there needs to be a rethinking on social security planning not only among workers but also their employers. A compulsive mechanism of social security transfer in every wage transaction may well be imagined in the prevailing environment of digital payment.

Note : This research brief was prepared from a project entitled "Occupational Mobility and Employment Pattern in India".

References

Gupta, A., & Chandra, K. (2021). Concept of social security: An analysis of Code on Social Security, 2020. *Indian Journal of Law and Legal Research*, *2*(1), 817–825. https://doi-ds.org/doilink/06.2021-94352669/IJLLR/V2/I1/A70

International Labour Office. (2017). *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals.* Geneva: ILO. Retrieved from https://www.ilo.org/global/publications/books/WCMS_604882/lang--en/index.htm

Talawar, N., & Singh, S. (2024). Social security for the unorganised sector workers in India. *International Journal of Legal Science and Innovation, 6*(5), 333–343. https://doi.org/10.10000/IJLSI.112238

International Institute for Population Sciences (IIPS), Deonar, Mumbai-400088, Tel: 022-42372502

Vision **"To position IIPS as a premier teaching and research institution in population sciences responsive to emerging national and global needs based on values of inclusion, sensitivity and rights protection."**

Mission **"The Institute will strive to be a centre of excellence on all population and relevant issues through high quality education, teaching and research. This will be achieved by (a) creating competent professionals, (b) generating and disseminating scientific knowledge and evidence, (c) collaboration and exchange of knowledge, and (d) advocacy and awareness"**