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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provide dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

SOCIAL SECURITY SCHEMES FOR SKILLED WORKERS IN INDIA: A CRITICAL ANALYSIS

AUTHORED BY - PROF VIRENDER NEGI & RAHUL SHARMA

Introduction

India's social security framework for skilled workers features an array of schemes and legislative efforts which targets both organized and unorganized sectors. Notable initiatives among them include the Employees' State Insurance and Provident Fund for formal sector employees, as well as programs like Pradhan Mantri Shram Yogi Maandhan and Atal Pension Yojana, which aim to protect those in the informal sector. The Social Security Code, 2020, and the digital eShram platform, are steps towards unifying coverage and leveraging technology to reach wider sections of the skilled workforce.¹ Social security refers to a systematic arrangement, usually created and maintained by the government, to provide economic protection and welfare to individuals and their families against certain life risks, contingencies, or social needs². These typically include events such as sickness, disability, unemployment, old age, maternity, death, or loss of a breadwinner. The core idea is to ensure that people do not face destitution or a drastic decline in their standard of living in the face of such risks. Social security achieves this either through cash benefits—like pensions and unemployment assistance—or services like healthcare, rehabilitation, and legal aid.³

This concept is rooted in the principle that every individual deserves a minimum level of security that enables them to live a life of dignity, regardless of changes or shocks in their personal circumstances. The International Labour Organization (ILO) and numerous countries define social security as a societal guarantee that people will have the necessary support to meet basic needs and maintain their quality of life when they are unable to do so themselves due to external factors like illness or unemployment.⁴ Globally, almost every nation has

¹ Kannan, K. P., and N. Vijayamohan Pillai. *Social Security in India: The Long Lane Treaded and the Longer Road Ahead Towards Universalization*. Centre for Development Studies, June 2007

² Razavi, S. Making the Right to Social Security a Reality for All Workers. *Ind. J. Labour Econ.* **65**, 269–294 (2022). <https://doi.org/10.1007/s41027-022-00378-6> (accessed on

³ International Labour Office. *World Social Protection Report 2020–22: Social Protection at the Crossroads – in Pursuit of a Better Future*. Geneva: ILO, 2021.

⁴ Hirose, Kenichi, Milos Nikac, and Edward Tamagno. *Social Security for Migrant Workers: A Rights-Based Approach*. International Labour Organization, Decent Work Technical Support Team and Country Office for Central and Eastern Europe, 2011.

established some form of social security mechanism, although the scope and extent of coverage vary. These systems range from contributory social insurance (where both employee and employer contribute funds) to means-tested social assistance programs funded by the government, and from universal healthcare to targeted family and child support benefits.⁵

Social Security: Key Objectives

Social security systems are fundamental to the welfare state and perform several key objectives, which can be broadly categorized under the themes of compensation, restoration, and prevention.

1. Compensation

The primary goal is to compensate individuals and families for income lost due to risks such as illness, disability, unemployment, or death of the provider. By providing a substitute or supplementary income, social security ensures that the affected individuals do not experience a double blow: the hardship itself and financial destitution. For example, unemployment insurance or survivor's allowances step in when the regular flow of earnings is interrupted.⁶

2. Restoration

Beyond financial assistance, a core objective is to help individuals and families get back to their previous socio-economic status. This includes providing healthcare to restore health, retraining and rehabilitation for the disabled, and facilitating reemployment for those who have lost their jobs. Restoration can thus be seen as the process of enabling affected persons to regain self-sufficiency and confidence.⁷

3. Prevention

This objective is proactive. Social security aims to prevent hardship by implementing measures—such as health and safety regulations, employment promotion programs, and preventive healthcare—that reduce the likelihood of risks materializing. For example, regulations for workplace safety help prevent industrial accidents and occupational diseases, and pension schemes encourage individuals to save for retirement.⁸

⁵Piachaud, D. "Social Security: Past, Present and Future". LSE Public Policy Review, vol. 1, no. 2, 2020, p. 2, doi:10.31389/lseppr.7.

⁶ <https://www.yourarticlelibrary.com/employee-management/social-security-concept-objective-and-other-details/35405>

⁷ <https://www.mhlw.go.jp/english/wp/wp-hw/vol1/p1c1s3.html>

⁸ OECD (2023), OECD Employment Outlook 2023: Artificial Intelligence and the Labour Market, OECD Publishing, Paris, <https://doi.org/10.1787/08785bba-en>.

4. Security and Stability of Living

Another overarching goal is to provide citizens with the assurance that their living standards and quality of life will remain secure, even if they face social or economic shocks. This promotes stability in society, improves morale among employees, and can drive economic productivity, as people are more willing to innovate and take calculated risks when their basic security is assured.⁹

5. Facilitation of Social and Economic Justice

Social security is often seen as an instrument of equity and justice. By redistributing income from the working population to the vulnerable (like the elderly, disabled, or unemployed), social security narrows inequality and fosters a sense of social solidarity. It is also considered a fundamental human right, reaffirming the dignity and value of every individual within society.¹⁰

6. Social Safety Net and Risk Diversification

Functionally, social security acts as a safety net by pooling risks across society, thereby reducing the individual burden in times of crisis. Systems like collective health insurance or public pension funds illustrate how social solidarity is operationalized to manage common risks.

7. Promotion of Independence and Higher Living Standards

Modern social security programs not only alleviate poverty but also aim to help people lead more independent, productive, and fulfilling lives. Support for child-rearing, disability adaptations, family assistance, and rehabilitation programs enhance overall living standards and societal well-being.¹¹

Skilled workers in India

In India, a "skilled worker" is generally defined in labour laws as an individual who possesses the necessary training, practical experience, and proficiency to perform a specific trade or job independently and efficiently. Skilled workers have specialized knowledge or technical expertise acquired through formal training, apprenticeships, or extensive on-the-job

⁹ Barford, A., Gilbert, R., Beales, A., Zorila, M., & Nelson, J. 2022. The case for living wages: How paying living wages improves business performance and tackles poverty. Business Fights Poverty, University of Cambridge Institute for Sustainability Leadership & Shift. DOI: 10.17863/CAM.80370

¹⁰ Schoukens, P., De Becker, E., & Keersmaekers, T. (Eds.). Living and working tomorrow (2035): Challenges for social security administrations. European Institute of Social Security. <https://eiss.be/research/living-and-working-2035.html>

¹¹ Aguilar, Catalina. (2017). Social protection and persons with disabilities. International Social Security Review. 70. 45-65. 10.1111/issr.12152.

experience. They are capable of making decisions related to their tasks and executing them with minimal supervision. Examples of skilled workers include electricians, plumbers, mechanics, computer operators, and certified professionals who perform jobs requiring technical expertise.¹²

Classification of Workers: Unskilled, Semi-skilled, and Skilled

Unskilled Workers

- Perform routine tasks that require little or no training or experience.
- The jobs mostly involve physical labor and do not require independent decision-making.
- Examples: Construction laborers, cleaners, helpers.

Semi-skilled Workers

- Perform tasks that need some basic technical knowledge or minimal training.
- Their work is somewhat specialized but usually done under supervision or guidance.
- Examples: Machine operators, drivers, sales assistants.

Skilled Workers

- Possess specialized skills acquired through formal training or experience.
- Capable of performing complex tasks independently and making decisions related to their work.
- Examples: Electricians, plumbers, mechanics, computer programmers.

Highly Skilled Workers (Optional Tier)

- These workers supervise others and have advanced expertise and responsibilities.
- Examples: Supervisors, senior engineers, managers.

Wage Criteria for Skilled Workers

Wages in India depend on the classification of the worker (unskilled, semi-skilled, skilled), the state, the industry, and the nature of the work. The Minimum Wages Act, 1948, and the more recent Code on Wages regulate minimum wage levels.

¹² Schoukens, Paul, et al., editors. *Living and Working Tomorrow (2035): Challenges for Social Security (Administrations)*. European Institute of Social Security, 29 Feb. 2024, <https://eiss.be/research/living-and-working-2035.html>.

As of 2025 (approximate), the minimum wages set by the central government are roughly:

Worker Category Monthly Minimum Wage (INR) Daily Minimum Wage (INR)

Unskilled	20,358	783
Semi-Skilled	22,223	854
Skilled	24,804	954
Highly Skilled	26,910	1,035

These wages may vary according to state rules, urban/rural areas, and industry sectors.¹³

Importance of Classification

- **Work Complexity:** Determines skill level and responsibility.
- **Training & Experience:** Higher skill means more training and experience.
- **Wage Level:** Skilled workers earn higher wages due to their expertise.
- **Employment Security:** Skilled workers usually have better job security and opportunities.
- **Sector Distribution:** Formal/organized sectors employ more skilled workers, while unorganized sectors largely consist of unskilled or semi-skilled workers.

Table . Major Social Security Schemes in India: Objectives & Provisions¹⁴

Scheme	Legal Act/Code	Objective	Key Provisions	Initiatives
Employees' Provident Fund	EPF & Misc. Provisions Act, 1952	Retirement savings and financial security	12% employer/employee contribution; pension, insurance	Portability, digital integration, enhanced coverage
Employees' State Insurance	Employees' State Insurance Act, 1948	Health insurance, maternity, sickness benefits	Medical care, cash compensation, maternity leave	Aadhaar linkage, expanded coverage

¹³ <https://www.india-briefing.com/news/guide-minimum-wage-india-19406.html/> Accessed on 08-Aug-2025

¹⁴ Ministry of Labour & Employment, Government of India. *The Social Security Code, 2020*. labour.gov.in, 2020

Scheme	Legal Act/Code	Objective	Key Provisions	Initiatives
Pradhan Mantri Shram Yogi Maandhan (PM-SYM)	Social Security Code, 2020	Pension for unorganized low-income workers	Monthly contributory pension, govt matching, pension on 60+	Enrollment via e-Shram portal, Common Service Centres
Atal Pension Yojana	National Pension System framework	Pension savings for unorganized sector	Contribution based on age, assured pension after 60	Financial inclusion via Jan Dhan and Aadhaar linkage
PMJJBY & PMSBY	Government-funded Insurance Schemes	Life and accidental insurance	Nominal premium, ~₹2 Lakh cover	Linked to bank accounts and e-Shram portal

Major Social Security Schemes in India: Legal Perspective, Objectives, Provisions, and Initiatives

1. Employees' Provident Fund (EPF)¹⁵

- **Legal Framework:** The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 governs EPF. It mandates employer and employee contributions to a retirement savings fund.
- **Objective:** To provide financial security and income after retirement, disablement, or death by ensuring long-term savings for employees in the organized sector.
- **Provisions:**
 - Employee and employer each contribute 12% of wages to the fund.
 - Provides retirement pension, provident fund corpus, and life and disability insurance.
 - Withdrawals allowed on retirement/disablement and deposits accrue interest.

¹⁵ Government of India. (1952). *Employees' Provident Funds and Miscellaneous Provisions Act, 1952* (Act No. 19 of 1952). Ministry of Labour & Employment. <https://epfindia.gov.in>

- **Initiatives:** Integration with the Social Security Code, 2020 enhanced portability of PF accounts across states and jobs, improving worker access.¹⁶
- **Sources:** The Code on Social Security, 2020; scholarly analysis on social security legislation.

2. Employees' State Insurance Scheme (ESI)¹⁷

- **Legal Framework:** Employees' State Insurance Act, 1948.
- **Objective:** To provide health insurance, sickness benefits, maternity benefits, disability and unemployment benefits to workers earning below prescribed wages in the organized sector.
- **Provisions:**
 - Mandatory health insurance coverage for employees and their dependents.
 - Provides medical care, cash compensation during sickness or maternity, and disability pension.
- **Initiatives:** Expansion to cover more workers, digital platforms for registration and claims, and linking benefits to Aadhaar for portability.
- **Sources:** Employment laws consolidated under Social Security Code, 2020; labor department reports.¹⁸

3. Pradhan Mantri Shram Yogi Maandhan (PM-SYM)

- **Legal Framework:** Formulated under the Social Security Code, 2020 and Unorganized Workers' Social Security Act, 2008.
- **Objective:** To provide pension cover for workers in the unorganized sector with low income (below ₹15,000/month), ensuring old age social security.
- **Provisions:**
 - Voluntary contributory pension scheme.
 - Beneficiaries pay monthly contributions; government matches equally.
 - Assured minimum pension of ₹3,000/month after age 60.
- **Initiatives:** Widely promoted through Common Service Centres and e-Shram portal integration for easy enrollment.¹⁹

¹⁶ <https://blog.ipleaders.in/social-security-and-its-relevance-under-labour-legislation-in-india/> Accessed on 09-Aug-2025

¹⁷ Government of India. (1948). *Employees' State Insurance Act, 1948* (Act No. 34 of 1948). Ministry of Labour & Employment. <https://www.esic.gov.in>

¹⁸ FAQs Social Security Benefits in India, Rodl & Partner. www.roedl.com.

¹⁹ <https://corridalegal.com/the-role-of-the-central-and-state-governments-in-social-security-schemes/> accessed on 08-Aug-2025

4. Atal Pension Yojana (APY)²⁰

- **Legal Framework:** Introduced by the government under the National Pension System framework.
- **Objective:** To encourage savings among workers in the unorganized sector for assured minimum pension post-retirement.
- **Provisions:**
 - Contributions vary with entry age and desired pension amount.
 - Pension guaranteed for life starting at 60 years.
- **Initiatives:** APY integrated with Aadhaar and Jan Dhan accounts to promote financial inclusion.

5. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY)²¹

- **Legal Framework:** Insurance schemes operated by government-supported insurers.
- **Objective:** Provide affordable life insurance (PMJJBY) and accidental death/disability insurance (PMSBY) to all citizens.
- **Provisions:**
 - Nominal premium charged annually.
 - Life cover of ₹2 lakh (PMJJBY).
 - Accident cover of ₹2 lakh (PMSBY).
- **Initiatives:** Brought under e-Shram portal for better access among informal workers.

Constitutional and legal provisions

India's constitutional vision for social security is anchored in the Directive Principles of State Policy, especially Articles 41 and 42. Article 41 obligates the State to strive, within its economic capacity, to provide the right to work, education, and assistance in cases of unemployment, old age, sickness, and disability. Article 42 requires the State to ensure fair and humane working conditions and provide maternity relief. While these provisions are non-justiciable, they form the foundation for legislative and policy measures on social welfare. In alignment with this mandate, the Social Security Code, 2020 was introduced to streamline, update, and consolidate various social security laws in the country. It merges significant

²⁰ Pension Fund Regulatory and Development Authority. (n.d.). *Atal Pension Yojana (APY)*. Government of India. Retrieved August 13, 2025, from <https://www.npsra.nsdl.co.in/scheme-details-APY.php>

²¹ Ministry of Finance. (n.d.). *Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)*. Government of India. Retrieved August 13, 2025, from <https://jansuraksha.gov.in/PMJJBY.aspx>

enactments, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, and legislation for unorganized workers, thereby creating a more unified framework. The Code introduces key reforms such as the portability of benefits, enabling workers to carry their entitlements across jobs and locations, and the integration of Aadhaar to enhance efficiency and reduce leakages. Importantly, it also broadens the coverage to include gig and platform workers, acknowledging the transformation in the nature of employment in the digital age. Overall, the Social Security Code, 2020 represents a substantial step toward achieving the constitutional goal of inclusive and comprehensive social protection in India.

Skilled Workers and Social Security Code 2020

The Social Security Code, 2020 represents one of the most significant reforms in the history of Indian labour law, aiming to consolidate, simplify, and modernize the country's fragmented social security framework. Passed by the Lok Sabha on September 22, 2020, approved by the Rajya Sabha on September 23, and receiving presidential assent on September 28, the Code officially came into force from May 3, 2021. It merges nine central legislations that previously governed social security benefits, including the Employees' Provident Funds and Miscellaneous Provisions Act, the Employees' State Insurance Act, the Payment of Gratuity Act, the Maternity Benefit Act, and others. By integrating these diverse statutes into a single, comprehensive law, the Code seeks to streamline compliance for employers, improve administration, and, most importantly, extend coverage to segments of the workforce previously outside the protection net.

The primary aim of the Social Security Code, 2020 is to provide universal social security coverage that includes skilled and unskilled workers, formal and informal sector employees, and emerging categories such as gig and platform workers. In doing so, it reflects the constitutional mandate contained in Articles 41²² and 42²³ of the Directive Principles of State Policy, which urge the State to secure the right to work, education, assistance in cases of unemployment, old age, sickness, and disablement, along with ensuring just and humane

²² **"Right to work, to education and to public assistance in certain cases.** — The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want."

²³ **"Provision for just and humane conditions of work and maternity relief.** — The State shall make provision for securing just and humane conditions of work and for maternity relief."

working conditions and maternity relief. The Code's purposes extend beyond administrative convenience it embodies the vision of creating a safety net that protects all workers against life contingencies such as old age, disability, illness, loss of income, and the need for skill upgradation. It also addresses the evolving nature of employment by acknowledging short-term contracts, self-employment, and technology-driven work models.²⁴

For skilled workers specifically, the Social Security Code, 2020 marks a substantial step forward. Skilled workers, defined as those possessing technical knowledge, specialized training, or substantial experience, often work in varied contexts some in permanent organized jobs, others on fixed-term contracts or as independent contractors in gig and platform roles. Previously, many skilled professionals in non-traditional work arrangements were ineligible for core benefits like provident fund or gratuity because the law tied eligibility to fixed employment relationships. The Code changes this by broadening the definition of "employee" and "worker" to include individuals engaged in any capacity in an establishment, whether directly or through an intermediary, irrespective of their contract type. This inclusivity ensures that a skilled electrician working on multiple contracts, a software developer engaged as an independent consultant, or a designer on a digital platform can now access certain social security entitlements.²⁵

The provisions that concern skilled workers most directly include the universal registration requirement, which mandates that all workers whether permanent, contract, gig, or platform must be formally recorded in government-maintained databases such as the e-Shram portal. This is crucial for portability of benefits, allowing skilled workers who change jobs, cities, or industries to carry forward their accumulated entitlements like provident fund balances or pension credits. The Code preserves the contributory structure for schemes like the Employees' Provident Fund, ensuring that both employers and employees contribute a fixed percentage of wages, while also extending eligibility for gratuity to fixed-term workers, which benefits skilled professionals engaged on project-based contracts.

The Employees' State Insurance provisions in the Code extend health and maternity benefits, sickness allowances, and disability compensation to eligible skilled workers. Importantly,

²⁴ Acharya, Swati, and Balwant Singh Mehta. *Maintaining Labour Standards in India: Some Challenges and Approaches, Special Reference to Disturbances Resulting from COVID-19*. Friedrich-Ebert-Stiftung, Mar. 2022

²⁵ Jain, M.P. *Indian Constitutional Law*. Vol. 1, 8th ed., LexisNexis, 2018.

hazardous occupations are covered under ESI irrespective of employer size, ensuring that skilled workers exposed to risk receive necessary protection. The Code also introduces a dedicated social security fund for gig and platform workers, which may include skilled professionals operating through aggregators. This fund, supported by contributions from both government and platform companies, aims to provide life and disability insurance, accident coverage, and other contingencies. Furthermore, the Code recognizes skill development and vocational training as integral to social security, ensuring that workers' employability and income potential are safeguarded over time.²⁶

From the perspective of Indian labour law, the Social Security Code, 2020 signifies a move toward uniformity and universality. Earlier, social security statutes were narrowly tailored and sector-specific, leaving large gaps in coverage, especially for skilled workers outside the organized sector. The consolidation under the Code addresses these gaps, simplifying legal compliance while expanding the protective shield to all skill levels and employment types. It aligns legal entitlements with India's modern, mobile workforce, where career paths are fluid and workers frequently transition between employers, industries, and geographies²⁷.

For skilled workers, the benefits of the Code are multifaceted. It guarantees them legal certainty of benefits irrespective of job type or sector, covers them in non-traditional employment relationships, ensures that gratuity and provident fund benefits are portable, and formally acknowledges skill upgradation as part of the social security framework. These measures not only enhance income security but also provide a measure of stability in a rapidly changing employment landscape. However, the true potential of the Code will depend on its implementation—requiring robust administrative systems, digital integration, and widespread awareness among workers and employers alike.

The Social Security Code, 2020 is not merely a legislative consolidation; it is a structural transformation of India's labour welfare regime. By extending comprehensive protections to skilled workers across all forms of employment, it strengthens the social safety net while promoting fairness, equity, and worker dignity. For India's skilled workforce, it offers enhanced protection, greater mobility, and a strong legal foundation to secure their future in an

²⁶ Seervai, H.M., *Constitutional Law of India*, Vol. II

²⁷ Raman, Aishwarya, Sreelakshmi Ramachandran, and S. K. Sasikumar. "India's Social Security Code, 2020: A Catalyst for Promoting and Protecting Platform Labour." *vol. 28, no. 1, June 2021*

evolving economic environment.

Judicial acknowledgment for skilled workers

In India it has been shaped and strengthened through several landmark judgments that collectively recognize their rights, social security entitlements, and protections under labor law, even in non-traditional or contract-based employment scenarios. These judgments have underscored the principle that the nature and continuity of skilled work matter more than formal job titles or employment categories, affirming skilled workers' inclusion within the ambit of statutory labor protections and social security schemes.

In the case of **Karamjit Singh v. Amandeep Singh & Anr.**²⁸ (2024 Supreme Court), the Court explicitly recognized carpentry as a skilled profession, emphasizing that skilled artisans are entitled to legal classification as skilled workers. This judgment set an important precedent by mandating that compensation, minimum wages, and social security benefits align with the skilled status of such workers, reinforcing their dignity and economic rights.

The Supreme Court ruling in **Bandhua Mukti Morcha v. Union of India**²⁹ was foundational in establishing the constitutional obligation of the State to implement labor welfare laws effectively. While originally addressing bonded labor, the principles enunciated have been applied to skilled workers, ensuring that governments uphold social security measures and protect workers from exploitation, regardless of their trade or skill level.

In **Secretary, State of Karnataka vs. Uma Devi (2006)**³⁰, the Supreme Court addressed the rights of workers engaged in irregular or contract roles, including skilled workers. It held that long-term and continuous service warrants legal recognition and regularization. This ruling has enhanced skilled contract workers' access to social security benefits and labor protections, promoting fairness for skilled workers outside permanent employment.

Finally, in **National Engineering Industries Ltd. v. Kishan Bhageria**³¹, the Supreme Court clarified the scope of "workman" under labor law, ruling that skilled workers performing non-

²⁸ Special Leave Petition (C) No. 27556 of 2023)

²⁹ AIR 1984 SCC 802

³⁰ (2006) 2 SCT 462

³¹ (1988) AIR 329

administrative technical tasks are entitled to labor protections and social security benefits. This judgment helps distinguish supervisory and managerial roles from skilled labor, thus preserving protections specifically for skilled workers in operational roles.

Together, these judicial decisions reinforce the principle that skilled workers deserve full legal acknowledgment and social security coverage irrespective of their contract type or sector, protect their rights against arbitrary exclusions, and ensure their inclusion in evolving labor frameworks like the Social Security Code, 2020. They provide critical precedent for protecting skilled workers' rights to minimum wages, provident fund, gratuity, health benefits, and pension, fostering equity and dignity in India's labor market.

Critical Analysis of Social Security Schemes for Skilled Workers in India

India's social security framework for skilled workers is a dynamic mix of statutory benefits, government welfare programs, and sector-specific schemes designed to safeguard workers' livelihoods against contingencies such as illness, unemployment, disability, old age, and death. Over the past decade, legislative reforms — most notably the Social Security Code, 2020 — have attempted to modernize and unify fragmented systems, with the ambition of extending protection to both the organized workforce and the millions engaged in informal or non-traditional employment. For skilled workers in particular, these measures hold significance as they represent a vital segment of India's productivity base. However, while the system has notable strengths, persistent weaknesses undermine its effectiveness.³²

One of the standout achievements of India's social security regime is the comprehensive statutory protection in the organized sector. Schemes like the Employees' Provident Fund (EPF) and Employees' State Insurance (ESI) are legally mandated and backed by judicial enforcement. The EPF ensures retirement corpus creation through employer-employee contributions, while the ESI provides a package of health, maternity, and disability benefits. Skilled workers in manufacturing, IT, engineering, and service industries typically fall under these schemes, benefiting from predictable coverage and contributory savings that accrue over time. Government initiatives aimed at unorganized and informal sector workers — a category where many skilled trades operate without formal contracts — are another positive step.

³² Devadasan, Pradeep & Kalicharan, M. (2016). Social Security Measures For Indian Workforce - A Legal Intervention. 10.5281/zenodo.159773.

Pradhan Mantri Shram Yogi Maandhan (PM-SYM) offers a contributory pension plan for low-income earners, while the Atal Pension Yojana provides a guaranteed pension structure for similar demographics. These schemes, though voluntary, symbolically recognize pension as a right and not just a perk for formal employees.³³

The Social Security Code, 2020 is a crucial reform integrating nine separate labor welfare laws into one unified statute. For skilled workers, its relevance lies in its broadened definitions of “employee” and “worker” to explicitly include fixed-term contract workers, gig workers, and platform workers, many of whom are highly skilled but were previously excluded from mandatory coverage. Digital platforms such as the e-Shram portal have further streamlined registration, improving transparency, reducing middlemen, and allowing workers greater visibility into their entitlements. Despite these advancements, access to social security for skilled workers in informal employment remains inadequate. India’s skilled workforce is not confined to corporate jobs; it includes carpenters, electricians, machinists, auto technicians, health workers, and others who may be self-employed or hired on a project basis without formal payroll inclusion. Most remain unaware of existing benefits or face cumbersome registration and claim procedures. Multiple overlapping schemes with different eligibility criteria contribute to poor uptake.³⁴

Implementation deficits also weaken the system. Labour inspectors, often understaffed, struggle to enforce provisions, particularly in smaller establishments or rural settings. Many employers evade coverage obligations by misclassifying skilled workers as “contractors” or “consultants” to avoid paying statutory contributions. While courts have intervened in several cases — such as *National Engineering Industries Ltd. v. Kishan Bhageria*³⁵ (1988) where skilled technical staff were recognized as “workmen” — enforcement gaps continue.

Portability of benefits remains a mixed success. The Code’s portability provisions through Aadhaar-linked accounts are promising, but in practice, migrating skilled workers — for example, construction electricians moving between states, or IT contractors switching firms —

³³ Raman, Aishwarya, Sreelakshmi Ramachandran, and S. K. Sasikumar. "India’s Social Security Code, 2020: A Catalyst for Promoting and Protecting Platform Labour." *Labour & Development*, vol. 28, no. 1, June 2021

³⁴ Charan, Ashutosh Singh, and Juhi Agarwal. "Contemporary Issues on Labour Law Reform in India with Special Reference to New Labour Codes." *LawFoyer International Journal of Doctrinal Legal Research*, vol. II, no. IV, 2025

³⁵ AIR 1988 SC 329

still encounter delays in transferring EPF or ESI accounts due to mismatched records, employer non-compliance, or platform inefficiencies.

Another fundamental issue is inadequacy of benefits. Pension amounts under PM-SYM or APY are often too low to ensure a dignified post-retirement life. The scope of occupational health cover for skilled workers in hazardous trades is still inconsistent, despite statutory mandates.

The Constitution of India, through Directive Principles of State Policy (Articles 41 and 42), obligates the State to provide social security. The Social Security Code operationalizes this constitutional vision. Judicial recognition has been instrumental in expanding the Code's intent to real-life coverage for skilled workers. For example, in *Karamjit Singh v. Amandeep Singh* (2024), carpentry was upheld as skilled work for compensation eligibility, reinforcing the worker's classification rights.

Internationally, India is also guided by ILO conventions (though not all are ratified), which frame social security as a human right. Thus, aligning domestic schemes with these standards remains a policy objective, particularly to secure the skilled labor segment that is crucial to industrial competitiveness.

Recommendations for Reform

A forward-looking critical analysis suggests that reform must prioritize **three strategic fronts**:

- 1. Awareness and Outreach** – Government bodies and industry associations must jointly run awareness campaigns targeted at skilled workers in small establishments, industrial clusters, and rural areas, communicating available schemes and registration methods in simple formats and multiple languages.
- 2. Simplification and Integration** – A unified, mobile-friendly platform should rationalize all schemes, enabling skilled workers to enroll, track contributions, and claim benefits without navigating multiple bureaucracies.
- 3. Strengthened Enforcement** – Labour departments must be technologically empowered for real-time compliance tracking, discouraging misclassification and ensuring mandatory coverage.

In addition, benefit adequacy should be addressed by periodically revising pension amounts, expanding accidental and occupational illness coverage, and integrating continuous skill

development subsidies into social security infrastructure.

In essence, India's social security schemes for skilled workers are evolving from a narrow, formal-sector paradigm to a universal, portable safety net. The legislative leap offered by the Social Security Code, 2020 and the push for digital integration are commendable milestones. Yet, awareness gaps, under-enforcement, and inadequate benefit levels continue to undermine the promised security for a large portion of skilled workers, especially in the informal domain.

To fully realize the objectives of equity, dignity, and economic stability articulated in both constitutional directives and global labor standards, India must ensure that skilled workers — regardless of where, how, or under whom they work — have not only theoretical coverage but also practical, timely, and sufficient access to social security in all its forms.

Despite these advancements, significant challenges persist, particularly in reaching informal skilled workers. Many remain unaware of available schemes or cannot access benefits due to cumbersome administrative processes, overlapping rules, and lack of proper outreach. Implementation inconsistencies, weak enforcement, and limited portability across states or jobs mean that large groups—especially women, migrants, and those with ambiguous roles—often remain outside the safety net. In summary, while India's approach to social security demonstrates a growing commitment to protecting skilled workers, its practical impact is hampered by patchy coverage, administrative barriers, and complexity. To fulfil the promise of comprehensive social security, there is a pressing need to bridge the awareness gap, simplify access, ensure portability of benefits, and design targeted interventions for vulnerable skilled groups, especially in the informal sector.

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