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LABOUR MARKET TRANSFORMATION, INFORMAL EMPLOYMENT AND SOCIAL SECURITY INCLUSION IN INDIA: EVIDENCE FROM PLFS, CENSUS AND E-SHRAM DATA

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ABSTRACT

India's labour market is undergoing a complex structural transformation characterized by rising labour force participation, persistent informal employment, and expanding social security initiatives. This study examines labour market participation, informal employment, and social security inclusion in India using secondary data from the Periodic Labour Force Survey (PLFS) 2017–18 to 2023–24, Census 2011 worker classification data, e-Shram administrative records, and supplementary evidence from the Annual Survey of Unincorporated Sector Enterprises (ASUSE). The study critically evaluates whether improvements in labour market indicators necessarily reflect improvements in employment quality and workforce security.

The findings reveal that the all-India Labour Force Participation Rate (LFPR) increased from 49.8% in 2017–18 to 60.1% in 2023–24, while female LFPR rose substantially from 23.3% to 41.7%. However, the study finds that a large proportion of employment growth remains concentrated in informal, low-productivity, and socially unprotected work. Census-based evidence indicates that nearly 47.5% of rural female workers were classified as marginal workers, reflecting significant employment intermittency and workforce vulnerability. Informal employment continues to dominate the Indian labour market, accounting for a major share of self-employment, unpaid family work, and casual labour.

The paper further evaluates India's e-Shram initiative through the identification–coverage–adequacy–utilisation framework for social protection. While the platform has achieved large-scale worker registration and administrative visibility for informal workers, substantial gaps remain regarding benefit utilisation, portability, adequacy, and independent impact evaluation. The study argues that labour market policy should move beyond headline participation and unemployment indicators toward a stronger focus on employment quality, workforce formalisation, social security accessibility, and sustainable labour governance.

The study contributes to business and management literature by integrating labour economics, workforce governance, employment sustainability, and social protection analysis within the context of India's evolving labour market structure. The findings offer practical implications for policymakers, labour administrators, workforce planners, and social protection institutions seeking to improve employment quality, workforce resilience, and inclusive economic development.

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1. INTRODUCTION

The standard headline indicators, such as participation rates and unemployment rates, were created for economies where the majority of work is formal, contracted, and wage-based, which presents a methodological challenge for labor market analysis in developing economies. That presumption is almost instantly refuted in India. The majority of the 600 million workers in the labor force are employed in self-employment, casual employment, agriculture, or unpaid family businesses; these types of jobs are often misclassified as adequate work in traditional unemployment figures (ILO, 2018; Kannan & Raveendran, 2012). Technically, it is acceptable to count individuals who labor two weeks a year on a family plot as employed. Analytically speaking, it is also practically worthless. MoSPI replaced the quinquennial NSSO Employment–Unemployment Surveys in 2017–18 with the Periodic Labour Force Survey (PLFS), which produces annual estimates of the Labor Force Participation Rate (LFPR), Worker Population Ratio (WPR), and Unemployment Rate (UR) under two reference periods: usual status (prior to 365 days) and current weekly status (prior to 7 days). The trend figures are impressive. For those aged 15 and above, the all-India LFPR increased from 49.8% in 2017–18 to 60.1% in 2023–2024 (MoSPI, 2024). Over the same time span, female LFPR rose from 23.3% to 41.7%, an almost twofold increase that has to be explained. These advancements are genuine. They are also very unclear. There is still disagreement among academics regarding the reasons behind India's rise in female LFPR. These explanations range from actual employment growth to methodological artifacts brought about by modifications to the PLFS survey design, as well as a distress-participation effect, which holds that secondary earners entered the workforce due to necessity rather than opportunity (Abraham, 2019; Deshpande, A., & Singh, J. (2021); Using PLFS trend data, Census 2011 structural baselines, and e-Shram administrative data, this article resolves that ambiguity by examining three interrelated dimensions: increasing but quality-uncertain participation; ongoing informality; and incomplete social security inclusion despite a growing policy architecture. The claim is not that India's labor market has not advanced—it has—but rather that advancements as assessed just in terms of participation provide an inaccurate and sometimes deceptive picture.

2. THEORETICAL FRAMEWORK

2.1 Labour Force Participation and the Feminisation-U Hypothesis

There is a well-established theoretical framework explaining the relationship between economic progress and female labor force participation. Goldin's (1994) U-curve shows that women's participation in the labor market decreases in the early stages of industrialization because of rising home incomes and social norms that discourage market employment. However, it rises later on as women get more education and find work in the service sector. Some experts see India's current path—with a female labor force participation rate of 41.7% after falling for ten years in the 2000s—as the start of the U-curve's rise (Klasen & Pieters, 2015; Mehrotra & Parida, 2017). Still, at least two reasons argue against the U-curve story. The reservation wage model predicts a less positive outcome: women who were secondary earners before 2017 may have joined the market out of economic necessity rather than structural opportunity (Abraham, 2019; Azim Premji University, 2023) and participation after 2017 may be a sign of income distress. The survey's sensitivity to subsidiary economic activity that the previous NSSO EUS rounds consistently undercounted may have been enhanced by PLFS design modifications, according to a third methodological interpretation. The empirical sections of this article are organized in a way that regards all three explanations as active hypotheses rather than definitive findings.

2.2 Informality: Segmented Labour Markets and the ILO Framework

Development economists have a vocabulary thanks to Hart's (1973) fundamental distinction between formal and informal income prospects, but the binary's simplicity has never completely survived contact with India's labor market realities. The ILO (2002, 2013) developed two concepts: job informality (employment without written contracts or social security, regardless of enterprise type) and enterprise informality (work in unregistered enterprises). Chen (2012) further improved this by using the WIEGO framework to discover a segmented informal sector with distinct levels, where the concentration of women increases and incomes decrease. What Breman's (1996, 2013) longitudinal ethnographic work contributes — and what macro-level

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surveys inevitably miss — is a structural interpretation. In India, informality is not a phase in transition that would eventually give way to formalization. It is a method of organizing the labor market that actively supports the needs of contractors and employers who require inexpensive, flexible labor. Understanding this is crucial to comprehending why enterprise registration-only policy measures have not gained much support.

2.3 Social Protection: The Identification–Coverage–Adequacy–Utilisation Chain

A methodology that breaks down what "coverage" really implies at each stage of delivery is necessary to evaluate social security inclusion for informal workers. This is accomplished by the identification-coverage-adequacy-utilization chain, which is based on the ILO Social Protection Floor framework (ILO, 2012) and Barrientos and Hulme (2008). Identification inquires as to whether eligible workers are listed, which is the main purpose of e-Shram. Coverage inquires about the enrollment of identified workers in particular programs. The question of adequacy is whether the amount of benefits is enough to cover the current situation. Utilization checks to see if workers who have signed up can really get the benefits they need. This four-stage chain is better than a simple "enrolled" or "not-enrolled" binary because it exactly shows where the chain breaks. This difference is important for policy because a program might look strong during the identification phase, but it might be slowly losing its reach, adequacy, and use. Our research will show that this is exactly the problem with e-Shram's diagnosis.

3. REVIEW OF LITERATURE

3.1 India's Labour Force Participation: Trends and Debates

During most of the 2000s, India's labor force participation went down. According to Mehrotra et al. (2014), the normal status rate of women working dropped from 42.7% in 2004–05 to 39.5% in 2011–12. Women were the ones who lost the most jobs. Klasen and Pieters (2015) say that this happened because family incomes went up, education got better, and agriculture changed in ways that made it harder for women to work on farms on a casual basis without creating other jobs in cities. This change usually lines up with the falling part of Goldin's U-curve. Mehrotra and Parida (2017) went into more detail about this idea, showing that slow growth in formal manufacturing was one of the main reasons why women did not have access to normal wage jobs. A second round of investigation has been sparked by the post-2017 reversal, and the debates are instructive. *(Abraham 2019)* says that the rise in female LFPR under PLFS is partly because the survey is now more sensitive to activities related to subsidiary status, which the old NSSO design did not do a good job of capturing. Similarly, it cautions that apparent advancement may be a front for increasing informalization. The distress-participation interpretation is significantly strengthened by the Azim Premji University State of Working India (2023) report, which finds that a disproportionate share of the female LFPR increase is concentrated in unpaid family work and agricultural self-employment—forms that generate no independent income. The proportional contributions of several hypotheses cannot be determined by aggregate trend data alone, and none of them are mutually exclusive.

3.2 Theoretical and Empirical Work on Informality

With an estimate of almost 93% informal employment as of 2004–05, the NCEUS (2009) continues to be the most thorough government documentation of India's informal sector. The workforce-wide rate, according to more current ILO estimates based on the job informality criterion, is between 75 and 80%, with casual workers accounting for more than 90% of the total (ILO, 2018). The wage penalty is documented by (International Labour Organization [ILO], 2018; informal workers make much less than their formal counterparts with similar qualifications, and this difference has not decreased with growth. Here, special consideration should be given to Breman's ethnographic contributions (1996, 2013). His descriptions of footloose labor in South Asia, where workers move between states and sectors without social ties and circulate through a labor market structured around contractor networks rather than employer relationships, foreshadow exactly the issues that e-Shram is currently attempting to resolve. State-based welfare board programs do not easily accommodate migrant construction workers from Odisha on a Surat building site. They never did. Decades before it was prioritized in policy, the administrative difficulty was apparent.

3.3 Social Protection Literature

Since 2012, ILO Recommendation No. 202, which calls for progressive achievement and establishes minimum basic security guarantees, has influenced the global social protection literature. Barrientos and

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Hulme (2008) make a distinction between social insurance, social assistance, and labor market programs, pointing out that informal workers usually fall outside of all three due to administrative incapacity and design. MGNREGS as a demand-side employment guarantee has received a lot of attention in India-specific literature. *(Premji University. (2023)* Based on welfare boards tailored to certain occupations, whose performance varies by jurisdiction. The immediate legislative forerunner of e-Shram, the Unorganised Workers Social Security Act (2008), established a structure devoid of sufficient finance, inter-scheme mobility, or enforcement. *Mishra, A. K. (2014).* was one of the first to identify this issue, and the criticism is still relevant today.

3.4 PLFS Methodology and Comparability

A rotating panel structure, distinct quarterly urban estimates, and schedule modifications that would have changed the capture rate for subsidiary workers were among the design changes brought about by the switch from quinquennial NSSO EUS to yearly PLFS. This article takes seriously the advice of some academics not to treat PLFS and NSSO EUS series as directly comparable. *(Ministry of Statistics and Programme Implementation [MoSPI], 2022)* A higher measured LFPR for women may be mechanically produced by the survey's increased probing of subsidiary economic activity; this is not because women's actual employment conditions improved, but rather because the instrument grew more sensitive. As mentioned above, Whether the post-2017 trend is a real shift or just a measurement artifact is still up for debate.

4. DATA SOURCES AND METHODOLOGY

4.1 Review Design

Descriptive trend analysis based on secondary data is used in this paper. The methodical triangulation of three nationally representative datasets—PLFS, Census 2011, and e-Shram—each of which sheds light on a distinct aspect of the labor market problem, and the placement of that descriptive image within the analytical frameworks outlined in Section 2 constitute its contribution. The datasets function as separate analytical windows rather than being combined at the individual worker level.

4.2 Primary Data Sources

Data Source	Coverage and Design	Use in This Article	Limitations
PLFS 2017–18 to 2023–24	Annual; rotating panel; all-India; usual status (365-day) and current weekly status (7-day) reference periods	LFPR, WPR, UR trends; gender and rural–urban decomposition; employment status distribution	No rural–urban time-comparability; PLFS not directly comparable with NSSO EUS; microdata decomposition not performed in this article
Census 2011 Primary Census Abstract	Complete enumeration; 1.21 billion persons; main/marginal worker classification	Structural baseline for main/marginal worker categories; rural–urban and sex disaggregation	14 years old; 2021 Census unpublished; data are baseline only, not current magnitudes
e-Shram (MoLE, PIB)	Administrative registration data; cumulative count; Aadhaar-seeded	Identification stage analysis; scheme integration review	No independent audit; benefit utilisation unknown; self-declaration basis may include duplicates
ASUSE 2025 (MoSPI)	Survey of unincorporated non-agricultural establishments; enterprise-level	Supplementary evidence on scale of informal enterprise employment creation	Establishment-level, not worker-level; cannot directly map to household economic status

Table: Data sources, coverage, and analytical roles.

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4.3 Analytical Approach

Time-series trend tables from 2017–18 to 2023–24 are utilized to analyze PLFS indicators, and normal status is consistently chosen as the proper metric for structural analysis. PLFS employment status categories that adhere to the ILO job informality criterion are used to operationalize informality. In contrast to PLFS, Census 2011 offers a structural baseline rather than a time-comparable equivalent. Only the identification stage of the social protection chain is assessed using e-Shram data. Throughout, the analysis prioritizes analytical honesty over misleading precision; the essay states that conclusions are not supported by the data.

5. LABOUR FORCE PARTICIPATION IN INDIA: TRENDS AND INTERPRETATION

Table 1 presents LFPR trends disaggregated by rural–urban residence and sex. (Note: 1 crore = 10 million throughout this article.)

Table 1. Labour Force Participation Rate in India by Residence and Sex, Usual Status, Age 15+, 2017–18 to 2023–24 (%)

Year	Rur. Male	Rur. Female	Rur. Total	Urb. Male	Urb. Female	Urb. Total	All-India Total
2017–18	79.8	24.6	52.1	73.4	20.4	47.6	49.8
2018–19	79.4	26.1	52.8	73.2	21.0	48.1	50.2
2019–20	80.2	32.6	56.6	75.2	25.2	50.2	53.5
2020–21	80.4	35.1	57.9	76.2	25.9	51.2	54.9
2021–22	80.5	35.4	58.2	76.1	26.0	51.5	55.2
2022–23	81.8	40.3	61.3	77.3	31.5	54.6	57.9
2023–24	82.0	44.9	63.7	77.2	35.6	57.3	60.1

Source: MoSPI (2024). Periodic Labour Force Survey Annual Report 2023–24: Press Note. Ministry of Statistics and Programme Implementation, Government of India.

Note: Figures represent LFPR for persons aged 15+ under usual status (reference period: preceding 365 days). The headline figures are clear: between 2017–18 and 2023–24, the all-India LFPR increased by 10.3 percentage points. Due almost entirely to the growth in rural female LFPR, which went from 24.6% to 44.9%, a 20.3 percentage-point increase, rural LFPR expanded more quickly (13.0 pp) than urban LFPR (9.7 pp). That is a significant change in just six years. What it truly represents is less obvious. There are three competing interpretations, all of which are worth considering at the same time. First, there was a real increase in employment as previously unemployed women were drawn into the workforce by new rural labor market prospects. Second, distress participation: Women who had not previously worked for pay were forced to take up whatever employment was available due to economic disturbances, such as the COVID-19 shock and the accompanying recovery pressures. Third, measuring improvement: A chunk of women's labor that previous surveys frequently overlooked was caught by PLFS's increased probing of subsidiary economic activity. The relative weights of these explanations cannot be ascertained from aggregate trend data, and they are not mutually exclusive.

6. WORKER POPULATION RATIO: EMPLOYMENT ABSORPTION AND GENDER CONVERGENCE

Table 2. Worker Population Ratio in India, Usual Status, Age 15+, Selected Years (%)

Year	Male WPR	Female WPR	Total WPR	Male Δ (pp)	Female Δ (pp)	Gender Gap (pp)	F/M Ratio
2017–18	71.2	22.0	46.8	—	—	49.2	0.31
2019–20	73.0	28.7	50.9	+1.8	+6.7	44.3	0.39
2021–22	73.8	31.7	52.9	+2.6	+9.7	42.1	0.43
2023–24	76.3	40.3	58.2	+5.1	+18.3	36.0	0.53

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Source: MoSPI (2024). Periodic Labour Force Survey Annual Report 2023–24. Derived indicators (gender gap, F/M ratio) calculated by the authors.

All-India WPR increased from 46.8% to 58.2%. The female-to-male WPR ratio rose from 0.31 to 0.53, which indicates real convergence — women's employment absorption improved substantially relative to men's over this period. Still, WPR cannot distinguish productive formal employment from low-productivity self-employment or unpaid family work. The female WPR increase of 18.3 percentage points, against a male increase of only 5.1, is the central empirical phenomenon demanding explanation — and it requires sectoral microdata decomposition to interpret responsibly.

7. UNEMPLOYMENT TRENDS: DECLINE, BUT OPEN UNEMPLOYMENT IS NOT THE BINDING CONSTRAINT

Table 3. Unemployment Rate in India by Rural–Urban Residence, Usual Status, Age 15+, Selected Years (%)

Year	Rural Male	Rural Female	Rural Total	Urban Male	Urban Female	Urban Total	All-India
2017–18	5.8	3.8	5.3	7.1	10.8	7.7	6.0
2019–20	4.5	3.5	4.2	6.0	8.5	6.5	4.8
2021–22	4.0	2.7	3.7	5.8	7.7	5.9	4.1
2023–24	2.9	1.8	2.5	4.7	7.2	5.1	3.2

Source: MoSPI (2024). Periodic Labour Force Survey Annual Report 2023–24: Press Note.

The all-India unemployment rate fell from 6.0% to 3.2% over the period. That seems promising. However, the structural requirement is crucial: workers who cannot afford to stay unemployed accept casual, self-employed, or unpaid family work instead of registering as unemployed in India's informal labor markets. This phenomenon could be referred to as "worker of last resort" absorption. In this case, a low measured UR indicates more about the lack of an unemployment safety net than it does about the caliber of jobs that are available. It is therefore incorrect to interpret the urban-rural disparity (5.1% against 2.5% in 2023–2024) as proof of better rural labor market circumstances. The fact that educated urban workers can afford to look for acceptable jobs—a type of productive search unemployment—contributes to the greater rate of unemployment in urban areas. Due to their inability to wait, rural workers engage in household-based informal activities instead of waiting. The disparity is a reflection of institutional design rather than results.

8. GENDER DIMENSION: PARTICIPATION, QUALITY, AND THE UNPAID WORK BURDEN

India has one of the largest gender gaps in the G20 in LFPR (37.1 percentage points in 2023–2024), and the gap is not closing quickly enough to indicate structural change is taking place. The care economy constraint (limited formal childcare infrastructure and a disproportionate unpaid care burden that falls on women), sectoral availability (formal, safe, adequately compensated employment remains concentrated in male-dominated occupations), wage discrimination, and the household income effect—which prevents secondary earners from entering the labor market when household income is sufficient—are all at work at the same time. The difficult question is not whether female LFPR rose—it did—but rather whether newcomers were able to find respectable and well-paying jobs. The participation gain does not convert into increased economic autonomy or access to social security if the growth is concentrated in low-wage agricultural self-employment and unpaid family work, as suggested by the State of Working India (2023) data. Increasing the number of women classified as "employed" but maintaining the same working circumstances is a statistical rather than a tangible improvement.

9. RURAL–URBAN DIFFERENCES: STRUCTURAL DIVERGENCE, NOT HIERARCHY

In 2023–2024, rural LFPR (63.7%) and WPR (62.1%) are greater than their urban counterparts (57.3% and 55.4%). This should not be interpreted as proof of superior performance in rural labor markets. The near-universal absorption that takes place through household enterprise, agriculture, and casual labor—the economy's unofficial shock absorbers—is why employment rates are high in rural areas. Significant

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seasonality, low and sometimes fluctuating pay, a lack of social safety, and a high level of informality are characteristics of rural work. Because urban workers have the ability and motivation to look for regular wage work rather than accept whatever is immediately available, urban unemployment (5.1%) is higher than rural unemployment (2.5%). Seasonal and circular migrants who are recognized as rural residents under customary status further distort the geographic picture. A Jharkhand construction worker is classified as a rural worker under normal status if he works eight months a year on urban building sites and returns home for more than 183 days. Therefore, residency classification rather than labor market geography is partially responsible for the rural-urban divide in PLFS data.

10. CENSUS 2011 AND THE STRUCTURAL ANATOMY OF WORKER CATEGORIES

The main worker/marginal worker dichotomy is one particular reason why Census 2011 is still essential for analysis. In contrast to PLFS employment status alone, this duration-of-work classification—main workers engaged for six or more months in the reference year, marginal workers for fewer than six months—captures labor market intermittency. Despite its antiquity, it is the most accurate indicator of how unstable work is in India.

Table 4. Worker Categories by Sex and Rural–Urban Residence, Census 2011 (approximate figures)

Category	Rural Male	Rural Female	Rural Total	Urban Male	Urban Female	Urban Total
Total Workers (millions)	217.1	121.8	338.9	113.0	29.8	142.8
Main Workers (millions)	155.5	64.0	219.5	112.5	29.4	141.9
Marginal Workers (millions)	61.6	57.8	119.4	0.5	0.4	0.9
Non-Workers (millions)	199.4	313.6	513.0	72.3	191.5	263.8
Work Participation Rate (%)	52.1	27.9	39.8	61.0	13.5	35.1
Marginal as % of Total Workers	28.4%	47.5%	35.2%	0.4%	1.3%	0.6%

The main worker/marginal worker dichotomy is one particular reason why Census 2011 is still essential for analysis. In contrast to PLFS employment status alone, this duration-of-work classification—main workers engaged for six or more months in the reference year, marginal workers for fewer than six months—captures labour market intermittency. Despite its antiquity, it is the most accurate indicator of how unstable work is in India. Three patterns stand out. First, rural female workers show a marginal work share of 47.5% — nearly half worked fewer than six months in the reference year. This is nearly twice the rural male marginal share (28.4%) and vastly higher than the urban female marginal share (1.3%). The structural intermittency of women's employment in rural India is not a minor qualification; it is a defining feature of how the labour market actually works for half the rural female workforce. Second, urban workers show negligible marginal work shares (0.6%), reflecting the relative dominance of regular employment relationships in cities. Third, the large rural female non-worker population constitutes a potential labour supply reservoir — and the entry dynamics of this group are central to interpreting India's post-2017 LFPR trend. The connection to the LFPR debate is direct. If a significant portion of newly counted PLFS female participants are working fewer than six months a year — if they are, in effect, marginal workers in the Census sense — then the LFPR increase represents an expansion of intermittent, low-productivity activity rather than structural integration into regular employment. The 2021 Census, whenever it is published, will be critical for testing this.

11. INFORMAL EMPLOYMENT IN INDIA: SCALE, STRUCTURE, AND ANALYTICAL CHARACTERISATION

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Informality in India is the dominant mode of labour market organisation, not a residual. The NCEUS (2009) documented roughly 93% informal employment in 2004–05. More recent ILO estimates using the job informality criterion find rates above 90% for casual workers and 75–80% for the total workforce (ILO, 2018). Table 5 uses PLFS employment status categories as an operational proxy for informality, following the ILO job informality criterion.

Table 5. Employment Status Distribution and Informality Characterisation, India, PLFS 2022–23 (approximate %)

Employment Status	Rural Male %	Rural Female %	Urban Male %	Urban Female %	Total %	Informality Indicator
Self-employed (total)	58.5	59.2	38.4	41.0	54.0	High — variable, no contract
Own account worker	42.8	36.1	29.6	28.7	38.5	High
Employer	2.1	0.5	4.6	1.4	2.4	Moderate
Unpaid family worker	13.6	22.6	4.2	10.9	13.1	Very high — no wage, no contract
Regular wage/salaried	12.8	5.8	48.2	39.8	22.5	Lower, but ~50% lack social security
Casual labour	28.7	35.0	13.4	19.2	23.5	Very high — daily wage, no protection

Source: MoSPI. Periodic Labour Force Survey Unit-Level Data 2022–23, with authors' informality categorisation based on ILO (2013) job informality criteria. Source: Government of India, Open Government Data Platform, Primary Census Abstract 2011 (data.gov.in). Calculations by the authors; figures are approximations. Note: The data from the 2011 Census is 14 years old. The 2021 Census has not yet been released. These numbers should not be taken as current magnitudes; rather, they are merely a structural baseline. This picture is further enhanced by the ASUSE 2025 survey. It records 7.92 crore (79.2 million) unincorporated non-agricultural businesses that create 74.52 lakh (7.452 million) jobs that are completely unregulated by labor laws, social security, and formal registration (MoSPI, 2025). To put it another way, the process of making new jobs is fundamentally informal. Instead of being a heritage situation that is slowly being destroyed by growth, informality is being brought back on purpose.

12. SOCIAL SECURITY INCLUSION AND E-SHRAM: IDENTIFICATION WITHOUT UTILISATION

Using the four-stage social safety chain to look at e-Shram shows an unsettling imbalance: the program has been able to find participants, but coverage, adequacy, and utilization are not really shown in the public record. What is known and what is still unknown are compiled in Table 6.

Table 6. e-Shram: Achievements, Scheme Integration, and Analytical Limitations

Dimension	Current Status	Key Limitation / Gap
Total registrations (Nov 2025)	31.38 crore (313.8 million)	Registration ≠ benefit receipt; self-declaration basis may include duplicates or inactive entries
Schemes integrated (One-Stop-Solution)	14 central schemes: PMSBY, PMJJBY, PMASBY, MGNREGS,	Scheme linkage does not confirm actual enrolment or benefit utilisation by registrants

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	PMJAY, PM-KISAN, etc.	
Gig and platform workers	Aggregator module launched December 2024	Effective coverage contingent on aggregator compliance; enforcement mechanism unclear
Benefit portability	Portability across states intended by design	Operational portability for circular migrant workers not yet universally implemented
Independent evaluation	None available in the public domain	Absence of independent audit means actual benefit utilisation rates are unknown

Sources: Ministry of Labour and Employment; Press Information Bureau releases (PIB, 2025a; PIB, 2025b; PIB, 2026).

Note: e-Shram figure of 31.38 crore is as of 27 November 2025, updated from 30.48 crore as of December 2024. Both figures are from official PIB releases reflecting cumulative registration growth.Registering over 313 million workers in a national Aadhaar-seeded database is a genuine administrative achievement — there's no point understating it. For the first time, India has programmable identification infrastructure for informal workers at near-universal scale. The aggregator module for gig and platform workers, launched in December 2024, extends formal recognition to labour relationships that previously had no administrative visibility whatsoever. And the integration of fourteen central welfare schemes through the One-Stop-Solution portal creates, in principle, a single-window interface that could substantially reduce the procedural barriers to benefit access. On the other hand, the identification stage is only the beginning. Coverage requires individual scheme enrolment — registration on e-Shram does not automatically enrol a worker in PMSBY or PMJJBY. Benefit levels that are adequate to cover actual contingency costs are necessary for adequacy, and a number of integrated plans provide coverage amounts that many academics believe are insufficient in comparison to the needs for income replacement. For a migrant construction worker negotiating a state welfare system in a city where he does not reside, utilization necessitates that enrolled workers be able to claim benefits without procedural or geographic hurdles.

Most importantly, there has not been a published independent audit of e-Shram's benefit utilization rates. Due to the lack of publicly available data, it is impossible to evaluate the program's effect on actual social protection outcomes for informal workers. The primary evidentiary issue in the social security literature on Indian informal workers is this gap, which should be fixed before the next generation of policies is based on presumptions about what e-Shram has accomplished.

13. DISCUSSION

13.1 Participation versus Quality: The Central Analytical Tension

The empirical results of the paper reveal a conflict that is frequently hidden by headline labor market data. Between 2017–18 and 2023–24, LFPR, WPR, and UR all showed positive trends. However, each has an important quality disclaimer. Rising female LFPR might be more indicative of distressed participation than of real opportunity. Rising WPR includes marginal self-employment, casual agricultural labor, and unpaid household work. In a market where workers cannot afford to stay unemployed, declining unemployment indicates institutional absorption rather than the creation of productive jobs. This issue was well-framed by Kannan and Raveendran (2012): the pertinent question is not whether people are employed, but rather whether they work in conditions that are consistent with decent work, such as sufficient pay, security, safety, and social protection. By that standard, the aggregate indicators for India are less clear-cut than what the trend tables indicate. This is an argument for measuring the correct things, not a call to pessimism.

13.2 Informality as a Structural Condition

Breman's (1996, 2013) characterisation of informality as a structural feature of South Asian capitalism, rather than a transitional stage awaiting modernisation, is borne out by this analysis. Despite sustained GDP growth, the share of informally employed workers has not declined substantially. New employment creation through unincorporated enterprise expansion is structurally informal. The incentive-based formalisation approaches built into several government programmes assume that informality reflects enterprise cost-benefit

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calculations that can be altered through regulatory incentives. If informality is instead embedded in labour supply chain organisation, contractor networks, and price discovery mechanisms — as Breman's work suggests — then enterprise-level formalisation will remain incomplete without addressing those structural conditions directly.

13.3 e-Shram and the Limits of Registration-Based Social Protection

e-Shram is India's most ambitious attempt to create universal identification infrastructure for informal workers, and at the identification stage, it has succeeded. The identification–coverage–adequacy–utilisation framework shows that the programme's design concept is sound and evidence-consistent with international social protection literature. The critique is not of the concept but of the measurement infrastructure: social protection policy cannot be evidence-based if evidence on actual benefit receipt is never collected, published, or independently evaluated. An independent utilisation survey, ideally linked to e-Shram registration records, is the most urgent evidence need in this space. Without it, the program's social impact is less about demonstrated outcomes and more about administrative hope.

13.4 Regional and Sub-group Variation

You can tell that this story is about all of India because it uses press note summary data instead of unit-level PLFS microdata. It is important to recognize this important limitation. India's job markets are very different for states, castes, and groups. The research on the State of Working India says that national standards hide the structural disadvantages that workers from scheduled castes, scheduled tribes, and other backward classes face. No single table can adequately show the effects on the job market that happen when gender, race, and religion come together.

14. CONCLUSIONS

PLFS trend data (2017–18 to 2023–24), structural analysis from Census 2011, and e-Shram administrative data were used in this study to look at labor market participation, informal work, and social security integration in India. It is possible to give a short summary of the main results. India's LFPR increased from 49.8% to 60.1%, with women's LFPR rising from 23.3% to 41.7%. There is still a 37.1 percentage point gender imbalance. The female participation increase remains analytically contested between employment expansion, distress participation, and measurement sensitivity explanations — and until PLFS microdata are used for formal decomposition analysis, it cannot be resolved.

Census 2011 data reveal a rural female marginal work share of 47.5% — nearly half of rural female workers worked fewer than six months a year. This structural intermittency is not visible in aggregate LFPR trends, but it is arguably more important for understanding women's actual labour market position than the headline participation figure. Informal employment accounts for approximately 77.5% of India's workforce. Informality is not declining; it is being reproduced through expansion of unincorporated enterprise employment and casualisation of supply chains. Economic growth, in the absence of deliberate structural reform, has not altered this basic condition. With 31.38 crore registrations, e-Shram has successfully identified workers on a big scale. But because there are not many publicly available data on benefit coverage, adequacy, and utilization, it is not possible to figure out what the program's real social protection effects are. It is very important to close that data gap. The ramifications for policy are evident. Although essential, registration numbers and participation metrics are insufficient. Labor policy should concentrate on the structural factors that compel most Indian workers into low-productivity, unprotected, and informal employment, together with the systematic oversight of employment quality, encompassing remuneration, contracts, access to social security, safety, and working hours. A commitment to utilize the data infrastructure is all that is required.

14.1 Directions for Future Research

There are five research objectives. The main and most important methodological advance is the formal decomposition analysis of the growth in the female labor force participation rate using unit-level microdata from the PLFS. This analysis shows how age, education, sector, and employment status all played a role. It is recommended that a household poll linked to registration records be used to get a full and unbiased picture of e-Shram coverage and usage rates. The 2021 Census will provide the first updated structural standard since 2011. This will make it easier to fully assess how the job market has changed since COVID-19. Fourth, using

PLFS microdata to look at gender, caste, and faith all together will show distributional effects that are hidden by national averages. Fifth, putting studies next to ones from Bangladesh, Vietnam, and Indonesia would make the theoretical addition a lot stronger by putting India's female labor force participation rate trajectory in the bigger picture of structural change in Asia.

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