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An Evaluation of Social Security Provisions and Beneficiary Satisfaction among Workers in the Unorganized Sector

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Abstract: ***Social security is an essential component of social justice, human dignity, and economic well-being, providing protection to individuals against various social and economic uncertainties. It represents a collective responsibility of society and the government to safeguard vulnerable populations from risks such as unemployment, illness, disability, old age, and financial insecurity. The fundamental objective of social security is to ensure a minimum standard of living and promote equitable opportunities, particularly for individuals who lack sufficient resources to overcome economic and social challenges independently.In India, social security has gained considerable importance in the context of globalisation, economic liberalisation, and changing employment patterns. Although globalisation has created new opportunities for economic growth and employment, it has also introduced significant challenges concerning job security, working conditions, income stability, and labour welfare. These challenges are particularly The present study critically examines the significance of social security measures and labour welfare policies in the context of globalisation, with particular reference to workers in the unorganised sector in India. It focuses on the objectives, provisions, and intended benefits of government-sponsored welfare schemes while exploring the challenges associated with their implementation, accessibility, and effectiveness. The study also considers the importance of strengthening labour legislation, improving institutional coordination, and expanding social protection to economically disadvantaged and socially vulnerable sections of society.***

Keywords: Social Security, Labour Welfare, Social Protection Schemes, Rashtriya Swasthya Bima Yojana (RSBY), Aam Aadmi Bima Yojana (AABY), National Pension System (NPS), Socio-Economic Security, Labour Reforms, Globalisation.

I. INTRODUCTION

The underlying idea behind social security measures is that those who have contributedor is likely to contribute to his/her country‟s welfare should be given protection againstcertain hazards of life to which he is exposed either in his working life or in consequenceof it. Notwithstanding the above, social security schemes generally depend on the scareresources of the country, although the economic content of the social

(a) Rashtriya Swasthya Bima Yojana (RSBY) – A national health insurance scheme primarily for the Below Poverty Line (BPL) populatin.

(b) Aam Aadmi Bima Yojana (AABY) – A life insurance scheme designed to provide financial protection to economically weaker sections of society.

(c) National Pension Scheme – Swavalamban (NPS-S**)** – A pension scheme specifically designed for workers in the unorganized sector.

II. REVIEW OF LITERATURE

The various social security schemes available for workers in the unorganized sector are summarized in

Annexure I**.**

However, the present study primarily focuses on three major schemes, namely Rashtriya Swasthya Bima Yojana (RSBY), Aam Aadmi Bima Yojana (AABY), and National Pension System–Swavalamban (NPS-S). These schemes were introduced to provide health insurance, life insurance, and pension benefits to economically vulnerable sections of society. Their objectives, institutional arrangements, implementation mechanisms, and major challenges are discussed in detail in the following sections.One of the major challenges associated with the implementation of these social security schemes has been the fragmented institutional framework.

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Historically, these schemes were administered or supervised by different ministries and regulatory authorities. For instance, RSBY was administered by the Ministry of Labour and Employment, AABY was associated with the Ministry of Finance and implemented through multiple institutional stakeholders, while NPS-S operated under the regulatory supervision of the Pension Fund Regulatory and Development Authority (PFRDA). This division of responsibilities resulted in difficulties relating to coordination, data integration, administrative efficiency, and effective monitoring. The involvement of multiple agencies also contributed to inconsistencies in maintaining beneficiary records and assessing the overall coverage of social security programmes.Another significant concern relates to the identification of eligible beneficiaries, particularly households belonging to the Below Poverty Line (BPL) category. Economic conditions are subject to frequent changes arising from unemployment, illness, loss of livelihood, natural disasters, and other unexpected financial difficulties. Consequently, poverty assessments conducted at long intervals may fail to reflect the actual economic circumstances of vulnerable households. Such delays in updating beneficiary records can exclude deserving individuals and families from essential social security benefits.Furthermore, the accuracy and reliability of BPL lists have remained important issues in the distribution of welfare benefits. In several instances, relatively better-off households may receive benefits because of errors in identification or administrative irregularities, while genuinely disadvantaged families may remain excluded due to the non-issuance of BPL cards, inadequate documentation, or difficulties in registration. These problems of inclusion and exclusion create inequalities in access to social protection and weaken the effectiveness of welfare programm.

1) Aam Aadmi Bima Yojana (AABY)

The major features of the Aam Aadmi Bima Yojana are as follows:

a) Aam Aadmi Bima Yojana was introduced by the Ministry of Finance, Government of India, to provide social security protection to economically weaker sections of society.
b) On 1 January 2013, Janashree Bima Yojana (JBY) was merged with Aam Aadmi Bima Yojana (AABY) to provide consolidated insurance benefits to eligible beneficiaries.
c) The scheme covered individuals between 18 and 59 years of age, particularly earning members of families living below or marginally above the poverty line.
d) Eligible beneficiaries included rural landless households and workers belonging to identified occupational groups.
e) The scheme was administered through designated nodal agencies, including government departments, state authorities and registered non-governmental organizations.
f) The annual insurance premium was ₹200 per member for a basic insurance cover of ₹30,000. Half of the premium was subsidized through the Social Security Fund, while the remaining amount was contributed by the concerned government, nodal agency or beneficiary according to the applicable provisions.

2) Rashtriya Swasthya Bima Yojana (RSBY)

The principal characteristics of Rashtriya Swasthya Bima Yojana are outlined below:

a) Rashtriya Swasthya Bima Yojana was launched by the Ministry of Labour and Employment, Government of India, to provide health insurance protection to families living below the poverty line.
b) The scheme allowed beneficiaries to receive medical treatment from selected public and private hospitals.
c) Eligible families were entitled to hospitalization coverage of up to ₹30,000 annually for specified medical conditions.
d) Beneficiaries could obtain cashless hospitalization services at empanelled hospitals using a smart card and biometric verification.
e) Insurance companies were encouraged to enroll eligible households to improve coverage among economically disadvantaged populations.
f) Non-governmental organizations and microfinance institutions participated in beneficiary identification, awareness generation and enrollment activities.
g) The government provided financial assistance towards insurance premiums, with a maximum annual premium provision of approximately ₹750 per family under the original scheme framework.
h) The Central Government generally contributed 75% of the premium, while state governments contributed the remaining 25%. Special funding arrangements applied to certain states.
i) Beneficiaries were required to pay a nominal registration fee of ₹30 to support administrative expenses.

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3) National Pension System (NPS)

The important features of the National Pension System are described below:

a) The National Pension System was introduced by the Government of India on 1 January 2004 to promote long-term retirement savings.

b) Initially, the scheme primarily covered newly recruited Central Government employees, excluding members of the Armed Forces.

c) From 1 May 2009, NPS was extended to all eligible Indian citizens, including workers in the unorganized sector, on a voluntary basis.

d) Every registered subscriber receives a unique Permanent Retirement Account Number (PRAN), which remains valid throughout the subscriber's lifetime.

e) The system provides two types of pension accounts:
Tier I Account: A retirement-oriented account with restrictions on withdrawals and applicable tax benefits.
Tier II Account: A voluntary savings account that offers greater withdrawal flexibility, subject to applicable conditions.

f) NPS provides a transparent and relatively cost-effective retirement savings mechanism through professionally managed investments.

g) The PRAN enables portability of the pension account across employment changes and geographical locations within India.

h) Subscribers can monitor their contributions, investments and account performance through digital services.

i) The National Pension System is regulated by the Pension Fund Regulatory and Development Authority (PFRDA), which oversees pension fund management and regulatory compliance.

III. SCOPE OF THE STUDY

The present study focuses on the social security schemes introduced by the Government of India for the welfare and protection of workers in the unorganized sector. Among the various social security programmes, the study is confined to three major schemes: Aam Aadmi Bima Yojana (AABY), Rashtriya Swasthya Bima Yojana (RSBY), and National Pension Scheme–Swavalamban (NPS-S). These schemes have been selected because they address three essential aspects of social security, namely life insurance, healthcare protection, and financial security during old age.Aam Aadmi Bima Yojana aims to provide affordable life insurance coverage to economically disadvantaged workers and their families. Rashtriya Swasthya Bima Yojana focuses on providing accessible and affordable healthcare services, particularly hospitalization benefits, to eligible households. Similarly, the National Pension Scheme–Swavalamban seeks to encourage retirement savings and provide financial security to workers who generally do not receive formal pension benefits.The study examines the level of awareness, accessibility, utilization, and satisfaction of unorganized sector workers regarding these schemes. It also identifies the major challenges faced by beneficiaries in accessing social security benefits and evaluates the role of these schemes in improving their socio-economic conditions.

The study comprises a total sample of 150 respondents, with 25 respondents selected from each of the following six occupational categories:

1) Coolies/PortersFemale
2) VendorsDomestic
3) Workers Female
4) Construction Workers
5) Drivers Security Guards

IV. OBJECTIVES OF THE STUDY

The main objectives of the present study are as follows:

1) To identify and examine the various social security schemes introduced by the Government of India for the welfare and protection of workers in the unorganized sector.

2) To assess the level of awareness among unorganized sector workers regarding the availability, eligibility criteria, and benefits of different social security schemes.

3) To evaluate the level of satisfaction among unorganized sector workers with the social security benefits provided by the Central and State Governments and to identify the major limitations and shortcomings of the existing schemes in order to suggest appropriate measures for their improvement and effective implementation.

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V. RESEARCH METHODOLOGY

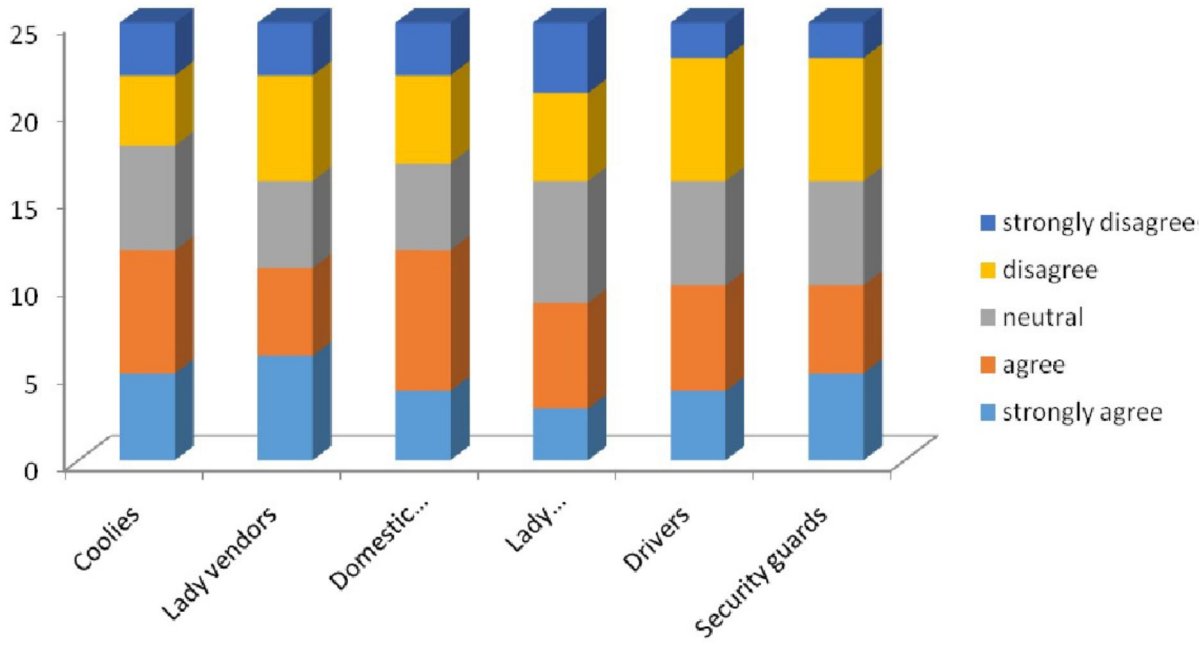
The present study adopts a descriptive research design to examine the awareness, accessibility, and satisfaction levels of workers in the unorganized sector regarding various social security schemes. Primary data were collected through a structured questionnaire administered to six occupational groups, namely coolies/porters and female vendors at Howrah Railway Station, female domestic workers, female construction workers, drivers, and security guards.

The study comprises a total sample of 150 respondents, with 25 individuals selected from each occupational category. The convenience sampling technique was employed due to the accessibility and availability of respondents. The collected data were systematically classified, tabulated, and analyzed using descriptive statistical methods to understand the effectiveness of three selected social security schemes: Aam Aadmi Bima Yojana (AABY), Rashtriya Swasthya Bima Yojana (RSBY), and National Pension Scheme–Swavalamban (NPS-S).

The structured questionnaire incorporated a Likert scale to measure respondents' awareness, perceptions, and satisfaction levels regarding the selected government schemes. The responses were analyzed using frequencies and percentages to determine the proportion of workers who were satisfied or dissatisfied with the available social security benefits. The questionnaire also examined respondents' opinions regarding the potential contribution of these schemes to improving their socio-economic conditions and financial security.

Furthermore, the study investigated the respondents' knowledge of existing social security provisions, their preferred methods of saving for the future, and the major difficulties encountered in accessing government welfare benefits.

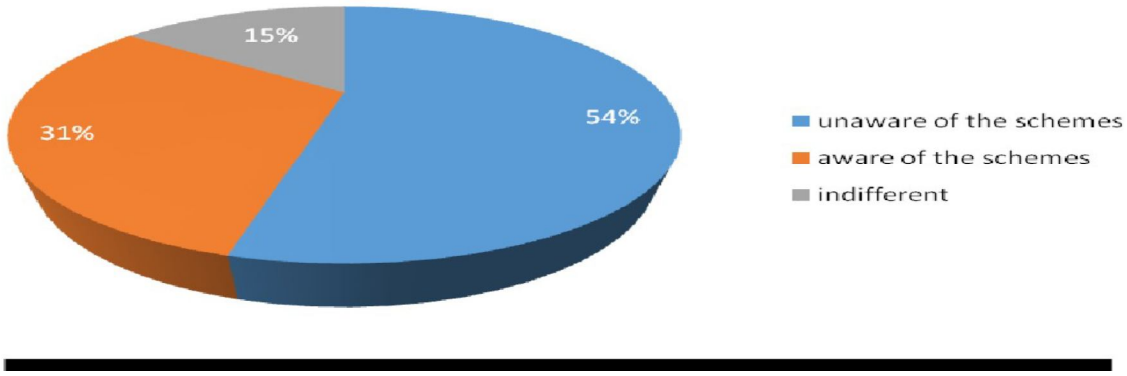
Figure 1: Level of Respondents' Agreement Regarding the Government's Commitment to Social Security Schemes



The histogram indicates that domestic workers generally express a higher level of agreement regarding the government's commitment to implementing social security schemes. Overall, respondents from different occupational categories demonstrate a moderate level of agreement with the efforts undertaken by the government to improve social security provisions for workers in the unorganized sector. However, the effectiveness of these initiatives depends not only on government efforts but also on the awareness and active participation of the intended beneficiaries. Therefore, it is essential to examine the extent to which unorganized sector workers are informed about newly introduced social security schemes and whether they independently seek information about the eligibility criteria, benefits, and procedures required to access these programmes.

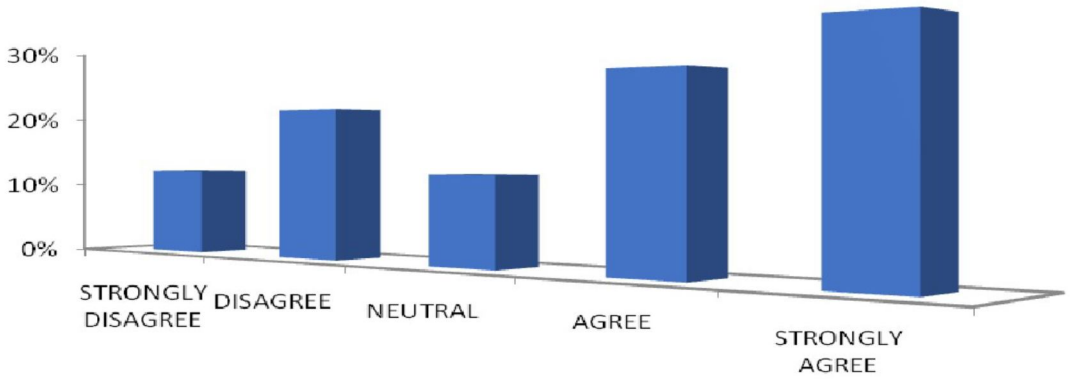
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Figure 2: Level of Awareness Among Respondents Regarding Social Security Schemes



The pie chart reveals that a majority of respondents (54%) were unaware of the social security schemes introduced by the Government of India. This lack of awareness may be attributed to limited educational opportunities, inadequate access to reliable information, and insufficient awareness programmes. Consequently, many workers face difficulties in understanding the eligibility criteria, benefits, and application procedures associated with these schemes. Furthermore, 15% of respondents did not consider these schemes particularly significant, indicating a lack of interest or understanding of their potential benefits. Such findings highlight the need for effective awareness campaigns, improved communication, and greater accessibility to information among workers in the unorganized sector.It is equally important to examine the satisfaction levels of those respondents who are aware of government initiatives. Therefore, the subsequent analysis focuses on evaluating workers' perceptions of the efforts undertaken by the government and determining whether the existing social security measures adequately address their needs and expectations.

Figure 3: Respondents' Perceptions of Government Efforts Towards the Implementation of Social Security Schemes

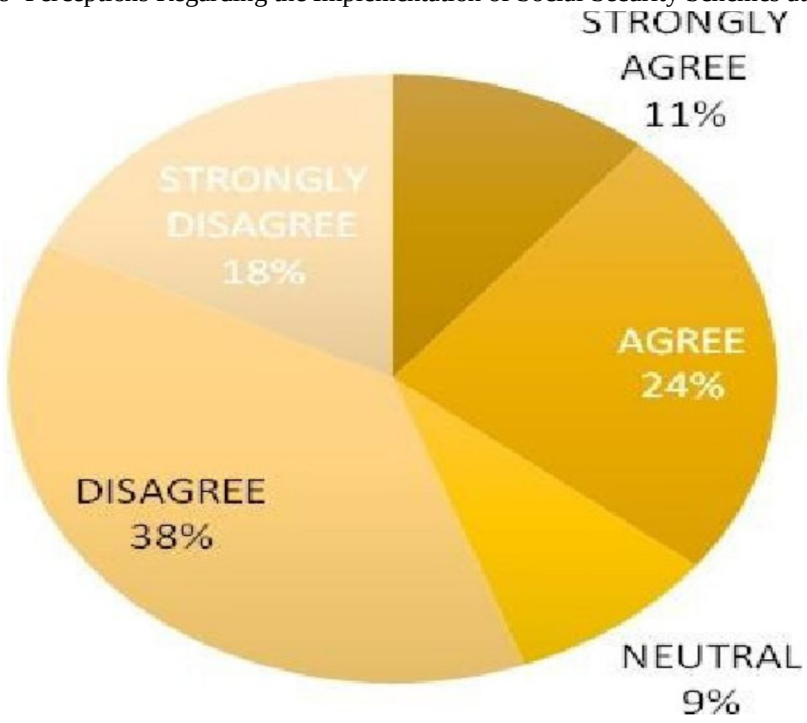


The chart illustrates respondents' perceptions regarding the efforts undertaken by the government to implement social security schemes for workers in the unorganized sector. The findings indicate that 30% of respondents strongly agreed that the government is making consistent efforts to improve social security provisions through various welfare programmes. However, 21% of respondents disagreed with this statement, while 12% strongly disagreed, expressing dissatisfaction with the government's initiatives. Additionally, 12% of respondents remained neutral, indicating uncertainty about the effectiveness and implementation of these schemes.The findings suggest that although a considerable proportion of respondents recognize the government's efforts, concerns remain regarding the accessibility, implementation, and effectiveness of social security programmes. The presence of disagreement and neutral responses highlights the need for improved awareness, transparency, and efficient delivery of welfare benefits.

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Furthermore, the effectiveness of social security initiatives depends not only on their formulation but also on their successful implementation at the grassroots level. Therefore, it is essential to examine the extent to which these schemes reach their intended beneficiaries and contribute to improving the socio-economic conditions and overall well-being of workers in the unorganized sector. The following figure presents respondents' perceptions regarding the accessibility and impact of these schemes at the grassroots level.

Figure 4: Respondents' Perceptions Regarding the Implementation of Social Security Schemes at the Grassroots Level

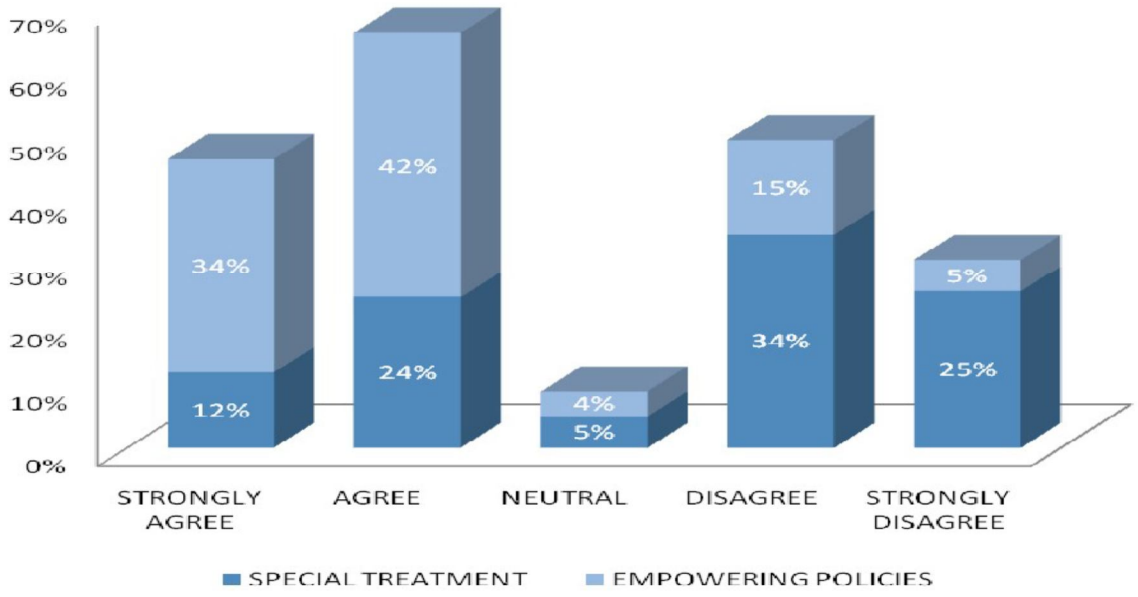


The figure reveals that a majority of respondents (38%) disagreed that the implementation of social security schemes at the grassroots level has been sufficiently effective in improving the living conditions of unorganized sector workers. In contrast, only 11% strongly agreed that the initiatives undertaken by the government adequately address their problems. These findings indicate a considerable gap between the formulation of social security policies and their effective implementation. Limited awareness, inadequate administrative coordination, and insufficient participation of intended beneficiaries may contribute to these implementation challenges. Furthermore, the study examined respondents' perceptions regarding the social impact of government welfare schemes. The findings indicate that 44% of respondents disagreed that these schemes had significantly improved their socio-economic conditions. Additionally, 22% expressed uncertainty about the long-term benefits and effectiveness of such programmes. Only 14% acknowledged positive changes in their living standards, suggesting that although some improvements have been observed, their overall impact remains limited among the surveyed workers. The findings highlight the importance of strengthening the implementation mechanisms of social security schemes, improving transparency, and encouraging greater participation among workers in the unorganized sector. Effective monitoring, awareness programmes, and simplified procedures are essential for ensuring that the intended benefits reach eligible beneficiaries.Moreover, labour welfare and social security fall within areas of legislative responsibility shared by the Central and State Governments under India's constitutional framework. Therefore, effective coordination between both levels of government is essential for strengthening the implementation of social security programmes and addressing the socio-economic challenges faced by workers in the unorganized sector. The formulation and implementation of labour welfare policies involve both the Central and State Governments, resulting in variations in administrative practices, economic conditions, and the availability of social security benefits across different regions. These differences often create challenges in ensuring equal protection and opportunities for workers in the unorganized sector. Furthermore, the mobility of labour and the diverse nature of informal employment make it difficult to develop a uniform policy that adequately addresses the needs of all categories of workers. Therefore, a comprehensive and inclusive approach is required to address the fundamental challenges faced by unorganized sector workers rather than relying solely on fragmented welfare measures.

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Social security policies should focus not only on providing basic financial assistance and protection but also on promoting economic empowerment, employment security, improved working conditions, and a better standard of living. In this context, two important approaches emerge: the continuation of existing welfare schemes that provide essential support to vulnerable workers, and the introduction of stronger legislative and institutional measures aimed at ensuring long-term socio-economic development. The latter approach emphasizes extending appropriate labour rights, social protection, and employment benefits to unorganized sector workers while recognizing the differences between formal and informal employment. Such measures could help reduce inequalities and promote greater consistency in the protection and treatment of workers performing similar types of work across different industries. The respondents were asked to express their opinions separately on the two alternative approaches. The findings reveal that a considerable proportion of respondents (34%) strongly preferred policies aimed at empowering workers and enabling them to become self-reliant. In contrast, only 12% strongly supported the piecemeal approach based on special welfare provisions. Furthermore, 24% of respondents expressed an overall preference for the special treatment approach, whereas 37% favoured the alternative approach focused on empowerment and economic independence.This trend is further supported by the relatively small proportion of neutral responses, ranging between 4% and 5%. Additionally, 34% of respondents disagreed with the special treatment approach, compared to only 15% who disagreed with the empowerment-oriented approach. These findings indicate that workers in the unorganized sector generally prefer policies that provide opportunities for self-development, economic independence, and long-term financial security rather than relying solely on temporary welfare assistance. Thus, the study suggests that unorganized sector workers would feel more secure if they were provided with adequate opportunities to empower themselves and improve their socio-economic conditions.



VI. SUGGESTIONS AND RECOMMENDATIONS

1) Instead of introducing various separate schemes, the Government should implement a single comprehensive health insurance scheme to cover the medical expenses of workers in the unorganized sector during illness.

2) A provision should be made for a fixed monthly pension after the age of 60 years to help unorganized sector workers meet their daily living expenses and maintain financial security during old age.

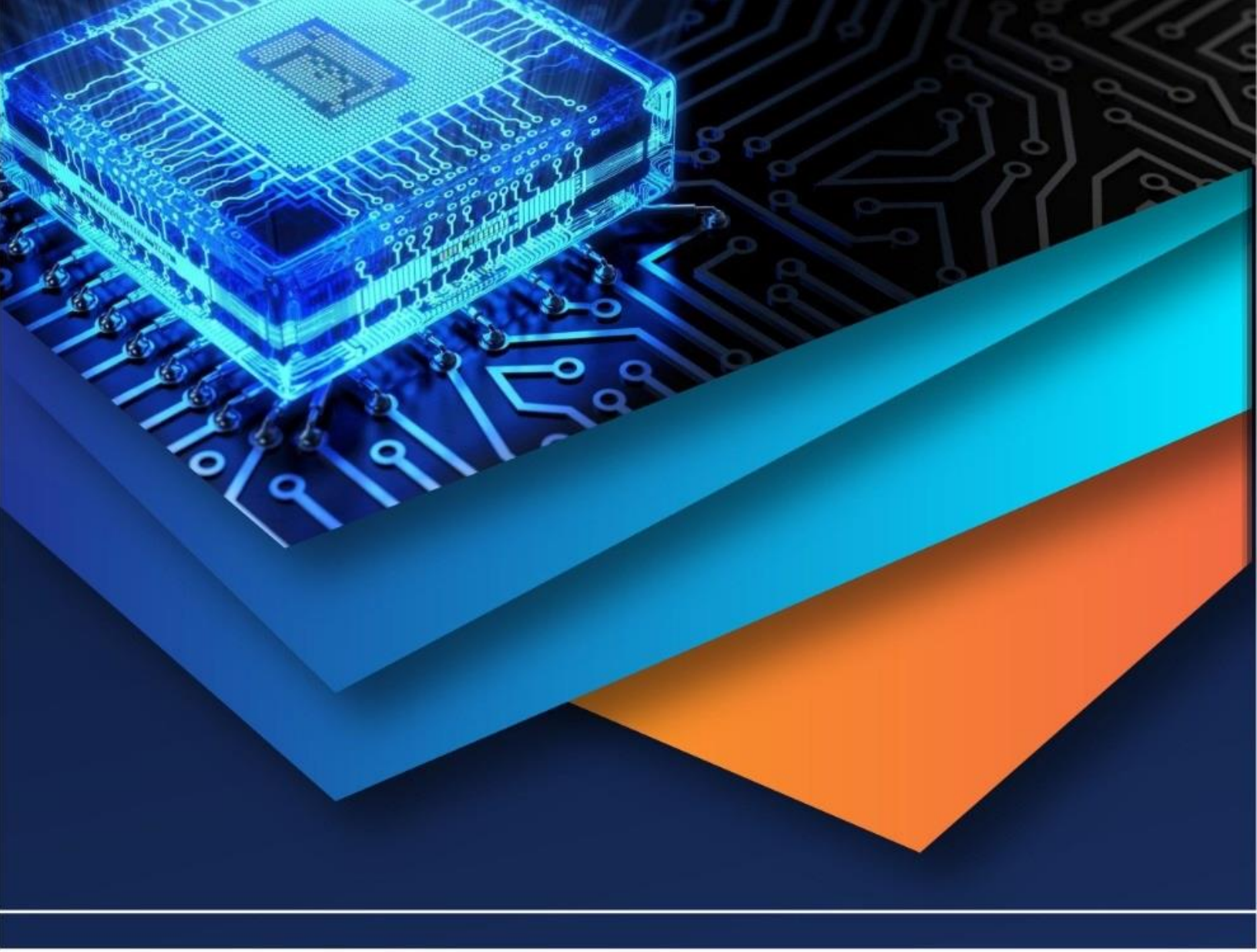
3) Workers should be encouraged to save a certain portion of their earnings in bank accounts, with an equal contribution from the Government to promote long-term savings and financial stability.

4) All workers in the unorganized sector should be brought under the coverage of the Employees' State Insurance (ESI) and Provident Fund (PF) schemes to ensure better social security, healthcare protection, and retirement benefits.

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