Social Security for Unorganized Workers in Rural Karnataka: A Household-Level Analysis

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Abstract-This study examines the social security provisions available to unorganized workers in rural Karnataka, focusing on the economic vulnerabilities faced by these households and evaluating the effectiveness of existing social security schemes. Unorganized workers constitute a significant portion of India's labor force, and in Karnataka, rural unorganized workers face challenges in accessing stable incomes, healthcare, and retirement benefits. By analyzing primary data collected from households across rural Karnataka, this study explores the awareness, utilization, and adequacy of social security schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), healthcare subsidies, and pension schemes. This study aims to contribute policy recommendations to enhance the welfare of unorganized workers in the region.
Keywords: Social Security, Unorganized Worker, MGNREGA, RSBY, labour Force, Health care.

1. INTRODUCTION

The unorganized sector represents over 90% of India's workforce, with a considerable number residing in rural areas, where economic vulnerabilities are intensified by limited employment opportunities and social security. Social security for unorganized workers is critical as it safeguards against income loss due to illness, unemployment, disability, or old age. In Karnataka, efforts have been made to provide social protection to rural unorganized workers; however, there is a need to assess how effective these programs are at the household level. This paper aims to examine the social security provisions in rural Karnataka, analyzing the challenges and exploring ways to improve the reach and impact of these schemes.

2. LITERATURE REVIEW

2.1. Social Security in the Unorganized Sector

Social security in the unorganized sector has been a subject of policy focus, as these workers lack employer-provided benefits, making them highly vulnerable to economic shocks (Kannan & Raveendran, 2009). Unlike organized workers, those in the unorganized sector face barriers in accessing stable income and basic health benefits, with studies indicating the need for stronger institutional frameworks for social security (Sharma, 2012).

2.2. Social Security Programs in Karnataka

Karnataka has initiated several schemes to support unorganized workers, such as MGNREGA, the Rashtriya Swasthya Bima Yojana (RSBY), and old-age pensions. MGNREGA provides rural households with guaranteed employment for 100 days, while RSBY offers health insurance for low-income families. Research indicates varying levels of awareness and participation in these programs, with rural households often unable to access full benefits due to administrative challenges (Narayana, 2010).

2.3. Challenges in Implementation and Accessibility

Challenges in social security implementation include limited awareness among rural workers, bureaucratic inefficiencies, and insufficient financial resources. Studies emphasize that many rural households are unaware of their eligibility or face difficulties in navigating the application processes (Das, 2013).

3.OBJECTIVES

1. To Assess the Awareness of Social Security Schemes.
2. To Examine the Participation in Social Security Programs.
3. To Analyze the Socioeconomic Impact of Social Security on Households.
4. To Explore the Effectiveness of Government Policies for Vulnerable Groups.

4. METHODOLOGY

This study uses a mixed-methods approach to analyze the impact and accessibility of social security schemes for unorganized workers in rural Karnataka. Primary data were collected through household surveys across five rural districts in Karnataka, focusing on variables such as household income, employment status, awareness of social security schemes, and benefits received. The sample consists of 300 households with at least one unorganized worker, covering diverse occupational backgrounds such as agriculture, construction, and small-scale services.

5. ANALYSIS AND DISCUSSION

5.1. Demographic Profile of Unorganized Workers

The demographic analysis reveals that a majority of unorganized workers in rural Karnataka are engaged in agricultural labor or construction work, with an average household income below the poverty line. The educational level of these workers is typically low, with limited access to alternative employment, making them heavily dependent on social security benefits.

The survey covered a total of 300 households, providing a representative overview of the socio-economic and demographic profile of the population under study. The results indicate a predominantly male-headed household structure, with 70 percent of households led by men compared to 30 percent headed by women. This pattern aligns with traditional gender roles commonly observed in many rural and semi-urban areas, where men are often considered the primary decision-makers within the household.

Table no 1 shows that the average household size of 5.2 suggests relatively large family units, which may reflect extended family living arrangements and dependency ratios typical of agrarian communities. In terms of occupation, half of the respondents (50%) reported agriculture as their main source of livelihood, followed by 30 percent engaged in construction and 20 percent in small-scale services or artisanal work. This distribution indicates a strong dependence on primary sector activities, with limited diversification into non-agricultural income sources.

Educational attainment among household heads shows a significant concentration at the lower levels: 40 percent have no formal education, and 30 percent have only completed primary school. Only 10 percent of respondents reported higher secondary education or above. This low educational profile may have implications for incomegenerating capacity and access to skilled employment opportunities, as emphasized in development and livelihood studies.

The income distribution further reinforces this socio-economic pattern. Nearly half of all households (47%) earn between INR 5,000 and 10,000 per month, while one-third (33%) earn less than INR 5,000. Only one in five households (20%) reports a monthly income above INR 10,000. These figures suggest that the majority of surveyed households fall within the lower-income category, indicating potential vulnerability to economic shocks and limited financial resilience.

Overall, the data portray a community characterized by low educational attainment**,** moderate family size**,** and reliance on low**-**income**,** labor**-**intensive occupations. These factors together underscore the challenges related to income generation, gender equity, and access to education within the surveyed population. Addressing these structural constraints would likely require targeted interventions in education, vocational training, and livelihood diversification

Table 1: Demographic Profile of Households with Unorganized Workers

Variable	Description	Frequency (%)
Total Households Surveyed		300 (100%)
Gender of Household Head	Male	210 (70%)
	Female	90 (30%)
Average Household Size		5.2
Primary Occupation	Agriculture	150 (50%)
	Construction	90 (30%)
	Other (e.g., small services, artisans)	60 (20%)
Education Level of Household Head	No Formal Education	120 (40%)
	Primary School	90 (30%)
	Secondary School	60 (20%)
	Higher Secondary or Above	30 (10%)
Monthly Income (INR)	Less than 5,000	100 (33%)
	5,000 - 10,000	140 (47%)
	Above 10,000	60 (20%)

Sources: Field work.

5.2. Awareness and Utilization of Social Security Schemes

Survey results indicate that while programs like MGNREGA and RSBY are widely known, a significant portion of eligible households are not enrolled in these schemes. Only 60% of the surveyed households reported knowledge of MGNREGA, and among these, only 45% had participated in the program. This discrepancy can be attributed to several factors:

1. **Administrative Barriers**: Respondents cited challenges such as delays in wage payments and insufficient job opportunities under MGNREGA.
2. **Lack of Awareness**: Many households were unaware of RSBY or other health insurance schemes, with only 25% of households having used health insurance at least once.

Table 2: Awareness and Participation in Social Security Schemes

Social Security Scheme	Awareness (%)	Participation (%)	Reasons for Non-participation
MGNREGA	180 (60%)	135 (45%)	Lack of job availability, administrative delays
Rashtriya Swasthya Bima Yojana (RSBY)	75 (25%)	45 (15%)	Unaware of eligibility, lack of documentation
Old Age Pension Scheme	90 (30%)	60 (20%)	Documentation issues, limited coverage
Disability Pension Scheme	30 (10%)	15 (5%)	Unaware of scheme, application difficulties
Widow Pension Scheme	50 (17%)	30 (10%)	Unaware, social barriers for registration

Sources: Field work

The table shows the level of awareness and participation in different social security schemes. It is clear that awareness is generally higher than participation across all programs, indicating that many people know about the schemes but do not take part due to various barriers. MGNREGA has the highest awareness (60%) and participation (45%), reflecting its wider reach and popularity. In contrast, the Disability Pension Scheme has the lowest awareness (10%) and participation (5%), showing poor outreach to vulnerable groups. Common reasons for non-participation include lack of job availability, administrative delays, documentation problems, and limited information. Social factors, such as stigma faced by widows, also play a role. Overall, the data suggest that while several welfare schemes exist, their effectiveness is reduced by administrative challenges, lack of awareness, and social barriers. Improving communication, simplifying procedures, and targeted awareness campaigns could help increase participation levels.

5.3. Adequacy of Benefits

The study assessed whether social security schemes meet the financial needs of rural households. Findings suggest that while MGNREGA offers critical income support, the number of working days and wage levels are insufficient to lift households out of poverty. On average, households reported receiving 60–70 days of work under MGNREGA per year, below the 100-day guarantee, with wage payments often delayed by several months.

Health insurance under RSBY, which is intended to cover hospitalization costs for unorganized workers, is also limited in its coverage. Many households reported that the cap on treatment expenses was insufficient for major medical expenses, and accessing quality healthcare remained challenging due to distance and service quality.

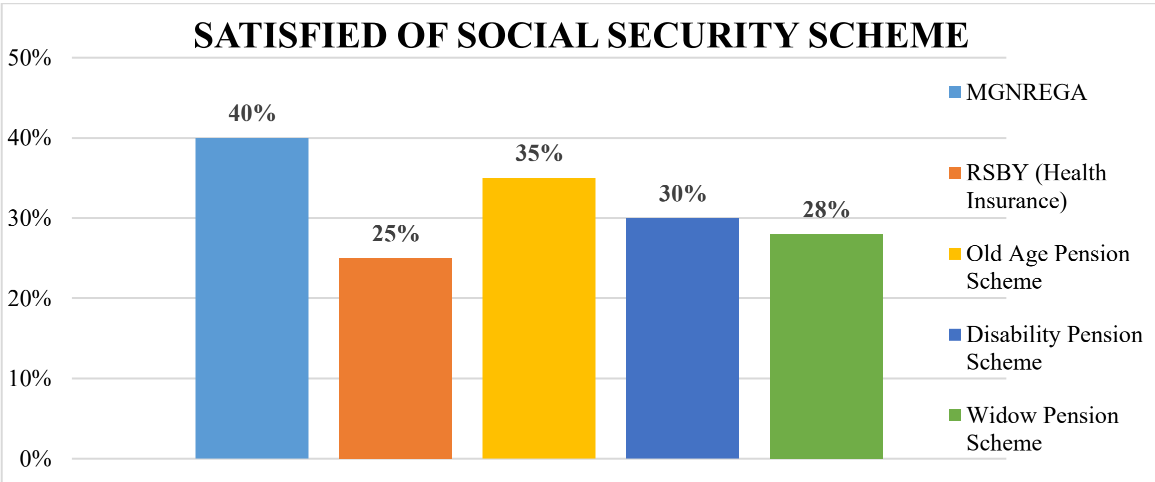
Table 3: Average Benefits Received by Scheme Participants (Annual)

Social Security Scheme	Average Benefit (INR)	Standard Deviation	Percentage of Households Satisfied (%)
MGNREGA	6,000	1,500	40%
RSBY (Health Insurance)	2,500 (coverage limit)	500	25%
Old Age Pension Scheme	4,800	800	35%
Disability Pension Scheme	5,000	700	30%
Widow Pension Scheme	4,200	650	28%

Sources: Field work

The table 3 presents the average annual benefits, variation in benefit amounts, and satisfaction levels among participants of different social security schemes. Overall, **MGNREGA** provides the highest average benefit (INR 6,000) but records only **40%** satisfaction, indicating that while payments are relatively higher, issues like irregular work or delayed payments may affect satisfaction. The Old Age Pension and Disability Pension Schemes offer moderate benefits (around INR 4,800–5,000) with satisfaction levels between **30–35%**, suggesting limited adequacy to meet living needs. **RSBY**, which provides health insurance coverage averaging INR 2,500, has the lowest satisfaction rate **(25%)**, possibly due to limited coverage or accessibility of services. Similarly, the Widow Pension Scheme shows low satisfaction (28%) despite moderate benefit amounts. Overall, the data reveal that while financial assistance varies across schemes, benefit adequacy and service quality remain key concerns, contributing to generally low satisfaction among beneficiaries.

CHART 1



Source: Table 3.

5.4. Gaps in Coverage for Vulnerable Groups

Specific groups, including elderly workers and female-headed households, face greater challenges in accessing social security. The study found that elderly workers, who lack pension support, are particularly vulnerable. Although the state offers a pension program, only 30% of eligible elderly respondents were registered, citing difficulties in documentation and bureaucratic hurdles. Additionally, female-headed households have limited access to MGNREGA and healthcare services due to sociocultural barriers and lower literacy levels.

Table 4: Utilization and Adequacy of MGNREGA Employment

Variable	Mean	Median	Range
Days Worked per Year	60	55	20 - 100
Wage per Day (INR)	200	200	150 - 220
Delay in Wage Payment (Days)	25	20	May-45
Households Reporting Adequate MGNREGA Income (%)	40%		

Sources: Field work.

The table no 4 provides information on the utilization and adequacy of employment under MGNREGA. On average, participants worked 60 days per year, which is below the scheme's target of 100 days, indicating underutilization of available employment opportunities. The average daily wage is INR 200, showing consistency with the median value, though there is some variation across regions (ranging from INR 150 to 220). A significant concern is the delay in wage payments, averaging 25 days, which likely affects workers' financial stability and satisfaction. Only 40**%** of households reported that MGNREGA income was adequate to meet their needs, suggesting that both the duration of work and wage levels are insufficient for sustainable livelihoods. Overall, while MGNREGA provides partial income support, delays in payment and limited days of work reduce its effectiveness as a reliable source of rural employment.

Table 5: Household-Level Challenges in Accessing Social Security Schemes

Challenge	Frequency (%)	Social Security Schemes Impacted
Administrative Delays	70%	MGNREGA, Old Age Pension, Widow Pension
Lack of Awareness	55%	RSBY, Disability Pension
Documentation Issues	45%	RSBY, Old Age Pension
Distance to Enrollment Centers	35%	All Schemes
Inadequate Benefits	60%	RSBY, MGNREGA

Sources: Field work.

The table 5 highlights the main challenges households face in accessing various social security schemes. Administrative delays are the most common problem (70%), especially affecting MGNREGA and pension schemes, suggesting inefficiencies in implementation. Inadequate benefits (60%) and lack of awareness (55%) also significantly hinder effective participation, particularly in RSBY and MGNREGA. Documentation isues (45%) are another major obstacle, especially for RSBY and Old Age Pension beneficiaries, indicating the need for simplified procedures. Additionally, distance to enrollment centers (35%) affects access to all schemes, pointing to geographical barriers in rural areas. Overall, the data show that a combination of administrative inefficiencies, low awareness, and procedural hurdles limits the reach and effectiveness of social security programs, reducing their intended impact on vulnerable households.

Table 6: Comparative Analysis of Vulnerable Groups' Access to Social Security

Group	MGNREGA (%)	RSBY (%)	Old Age Pension (%)	Disability Pension (%)
Elderly (60+ years)	20%	10%	60%	15%
Female-headed Households	35%	25%	30%	10%
Households Below Poverty Line	50%	30%	40%	25%

Sources: Field work.

The table compares access to different social security schemes among vulnerable groups. Households below the poverty line (BPL) show the highest overall participation, particularly in MGNREGA (50%), reflecting the scheme's effectiveness in reaching poorer sections. Elderly individuals have the greatest access to the Old Age Pension Scheme (60%), indicating that this program is well-targeted for senior citizens. Female-headed households participate more in MGNREGA (35%) and RSBY (25%), suggesting that these schemes provide some economic and health support to women, though access remains limited. Across all groups, participation in the Disability Pension Scheme is the lowest (10–25%), showing a major gap in outreach to persons with disabilities. Overall, the data suggest that while social security programs reach some vulnerable populations, disparities persist-particularly for women and the disabled-highlighting the need for more inclusive and better-targeted implementation strategies.

6. POLICY RECOMMENDATIONS

6.1. Improve Awareness and Outreach

Greater outreach efforts are necessary to ensure unorganized workers in rural Karnataka are aware of available social security schemes. Government agencies should collaborate with local organizations and community leaders to conduct awareness campaigns on MGNREGA, RSBY, and pension schemes. Mobile outreach programs could also be deployed to target remote villages.

6.2. Enhance Accessibility and Simplify Application Processes

Administrative processes for accessing benefits should be simplified. Digital platforms and one-stop service centers could reduce delays and enhance accessibility. Moreover, measures to ensure timely payment of wages under MGNREGA are essential for program effectiveness.

6.3. Increase Coverage of Health and Pension Benefits

The coverage of health insurance schemes like RSBY should be expanded, with increased on treatment costs to cover comprehensive medical care. Pension benefits for elderly unorganized workers should be increased to meet basic living standards, with simplified eligibility verification to increase registration among elderly households.

6.4. Targeted Support for Vulnerable Groups

Policies should prioritize vulnerable groups such as elderly workers, women, and disabled persons. Special provisions, such as increased workdays under MGNREGA or additional health benefits, could support these groups better, ensuring they receive adequate social security.

7. CONCLUSION

This study highlights significant gaps in the social security framework for unorganized workers in rural Karnataka. Although schemes like MGNREGA and RSBY provide essential support, challenges related to awareness, accessibility, and adequacy reduce their effectiveness. By addressing these challenges through targeted policy measures, Karnataka can improve the socioeconomic stability of its rural unorganized workforce, thereby enhancing their resilience against poverty and economic shocks.

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