



Contribution of the Pradhan Mantri Shram Yogi Maandhan Yojana to the Economic Development of Workers in the Unorganized Sector in Nagpur District

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Abstract

Pradhan Mantri Shram Yogi Maandhan Yojana (PMSYM) represents a major Indian government program established to secure social welfare benefits for workers in unorganized employment sectors. This research paper evaluates how the PMSYM scheme supports the economic growth of unorganized sector workers in Nagpur district. This study addresses the effects of the program on both beneficiary financial security and social protection as well as their total life sustainability. The study combines survey data with information from government reports to research the enrollment numbers alongside worker knowledge levels and their received benefits as well as their encountered barriers. Results show that the pension scheme provides potential financial support for older individuals yet problems with poor awareness and inconsistent income and enrollment hurdles prevent maximum effectiveness. The research finishes with recommended strategic approaches to extend PMSYM outreach while empowering unorganized workers to promote inclusive economic expansion in the area.

Keywords: Pradhan Mantri Shram Yogi Maandhan Yojana, unorganized sector, economic development, social security, Nagpur district, workers' welfare.

Introduction

The unorganized sector maintains its position as the economic foundation of India through its employment of major workforce forces that work in agriculture construction domestic work and small-scale manufacturing industries. The workers in this sector supply vital economic development to the nation while enduring job uncertainty as well as financial security limitations and sporadic income flow and inadequate retirement fund access. The Government of India started the Pradhan Mantri Shram Yogi Maandhan Yojana (PMSYM) in 2019 because it identified the urgent requirement to protect these at-risk workers. Workers of the unorganized sector who earn less than ₹15,000 per month are the target group of this voluntary pension scheme which provides financial security during old age. Workers aged 18 to 40 who join PMSYM must pay a small monthly sum that the government matches to receive ₹3,000 of guaranteed pension when they reach 60 years old.

The PMSYM scheme's ground-level effects can be studied by evaluating Nagpur district because this area combines various economic sectors with numerous unorganized sector workers. The present study examines how the program has developed the economic situation of district workers. The research examines worker awareness related to the scheme together with the pivotal enrollment factors and evaluates the experienced advantages after enrollment. The study presents both access challenges workers face with the scheme and evaluates how it helps their long-term financial requirements.

This research brings value because it examines the unorganized sector while most economic services remain inaccessible to its workforce despite their essential contribution to India's economy. This analysis assesses PMSYM's impact on worker financial growth to analyze the operational weaknesses and strengths of the program at present. This evaluation examines the implementation differences between policy objectives and on-the-ground operations to provide strategic improvements that boost the success and coverage of social protection programs.

The PMSYM scheme represents a transformative tool in today's world because it lets millions of workers access financially secure and dignified retirement benefits. Such schemes generally achieve their goals based on how well beneficiaries understand them and their ability to easily participate regularly. This paper examines PMSYM's impact on unorganized sector workers in Nagpur district by combining primary and secondary data to determine its effectiveness as well as identify necessary enhancements to expand its benefits. This study aims to add valuable



information which can enhance the debate about labor welfare together with financial security and unorganized sector policy-making in India.

Literature Review

The unorganized sector maintains its essential place in Indian economic operation because it employs ninety percent of total workforce yet lacks labor protections and social security benefits (NCEUS, 2007). Research by numerous scholars spotlights the work-related difficulties which unorganized sector employees face such as variable employment, minimum pay scales and lack of medical plans and retirement benefits with substandard working environments (Kannan & Raveendran, 2012). The essential requirement of social security programs for unorganized workers resulted in government authorities implementing welfare programs at both state and central levels.

The Pradhan Mantri Shram Yogi Maandhan Yojana (PMSYM) launched in 2019 functions as a critical scheme to secure the retirement benefits for working people in unorganized sectors. The PMSYM scheme under the Ministry of Labour and Employment (2019) works to provide an economical pension to workers when they turn 60 years old which cuts down their financial dependence in their senior years. The scheme identified its main goals by Sharma (2020) to foster inclusivity in financial resources and cut back on senior citizen poverty while improving welfare support for persons with limited financial resources.

Patil and Deshmukh (2021) determined that the unorganized sector faces major obstacles to government welfare program success because workers lack awareness about the schemes and encounter accessibility challenges. Their study into Maharashtra's social security schemes established that worker participation remained minimal since workers lacked awareness and encountered procedural issues and regular earning challenges that affected their sustainability to contribute to the schemes. The results have clear application for PMSYM program success analysis in Nagpur district because of the area's extensive unorganized workforce makeup.

The literature discusses the economic consequences that pension schemes generate across the lives of professional workers. Social security schemes according to Verma and Bhattacharya (2020) demonstrate their effectiveness at building financial stability and vulnerability reduction while providing economic stability to lower-income groups when well implemented. The schemes must be monitored carefully through beneficial engagement to avoid discouraging participation and achieve their stated objectives.

Kumar (2021) points out that the PMSYM scheme has an excellent design however operational difficulties stem from factors such as limited digital competence among beneficiaries along with requirements for Aadhaar-based bank accounts and exclusive use of Common Service Centres (CSCs) during enrollment. The tendency of unorganized workers to meet present financial requirements before thinking about future financial security leads naturally to diminished consistent pension scheme participation.

Nationwide studies show general insights about the scheme yet research at the local scale exclusively for Nagpur district remains scarce. Three key factors at the local level named socio-economic conditions and literacy rates and occupational diversity determine the achievement of social security programs. This research studies the impact of Pradhan Mantri Shram Yogi Maandhan Yojana on economic development for unorganized sector workers in Nagpur by evaluating grassroots-based awareness patterns combined with enrollment numbers and facing obstacles and deriving positive outcomes for workers.

Objectives of the Study

- To assess the level of awareness about the Pradhan Mantri Shram Yogi Maandhan Yojana among unorganized sector workers in Nagpur district.
- To examine the enrollment trends of workers under the scheme.
- To analyze the impact of the scheme on the economic development of enrolled workers.

Hypothesis

H₀ (Null Hypothesis): There is no significant impact of the Pradhan Mantri Shram Yogi



Maandhan Yojana on the economic development of enrolled workers in Nagpur district.

H₁ (Alternative Hypothesis): There is a significant impact of the Pradhan Mantri Shram Yogi Maandhan Yojana on the economic development of enrolled workers in Nagpur district.

Research Methodology

A descriptive analytical research approach was chosen to evaluate how Pradhan Mantri Shram Yogi Maandhan Yojana affects unorganized sector worker economic growth within Nagpur district. The research used primary along with secondary data sources to acquire full knowledge of the subject. Research data was obtained by distributing a prepared questionnaire to a specific group of unorganized workers who participate in the scheme. The sample group consisted of workers in construction laborer roles as well as those in domestic care and street vending and small-scale artisan backgrounds. Information about social security schemes and unorganized sector came from official reports together with policy documents and research articles and publications. Workers evaluated their financial security and economic stability through responses on a Likert scale. The research utilized three statistical methods including percentage analysis together with chi-square test and correlation analysis to conduct data interpretation and test the study's hypotheses. The researchers preserved objectivity and reliability through both adequate respondent education about research goals along with systematized data collection procedures. All study participants benefited from ethical safeguards that included their voluntary participation alongside strict confidentiality standards as well as the guarantee of their anonymity throughout the research period.

Table 1: Descriptive Statistics of Economic Development Indicators Among Enrolled Workers

Variable	N (Sample Size)	Mean	Standard Deviation	Minimum	Maximum
Monthly Income Before Enrollment (₹)	150	7,500	2,200	3,000	14,000
Monthly Income After Enrollment (₹)	150	8,100	2,350	3,500	15,500
Monthly Savings Before Enrollment (₹)	150	800	400	100	2,000
Monthly Savings After Enrollment (₹)	150	1,050	450	150	2,500
Financial Security Perception (Score out of 5)	150	3.9	0.7	2.0	5.0

Analysis of Descriptive Statistics

The descriptive statistics demonstrate increased economic prosperity of workers participating in the Pradhan Mantri Shram Yogi Maandhan Yojana in Nagpur district. Workers experienced an increase in earning capacity after joining the Pradhan Mantri Shram Yogi Maandhan Yojana since their mean monthly income jumped from ₹7,500 to ₹8,100. Standard deviation numbers show workers demonstrate average range in earning amounts throughout the studied group. Workers experienced better financial management practices after enrollment because their mean monthly savings amount increased from ₹800 to ₹1,050. The surveyed workers demonstrated an average perception of financial security after scheme enrollment that reached 3.9 out of 5 points according to the assessed Likert scale. Individual workers displayed diverse results through their minimum and maximum ratings for the variables which showed that some participants achieved minimal progress but others achieved substantial success. The descriptive evaluation confirms that registered workers in the Pradhan Mantri Shram Yogi Maandhan Yojana achieved substantial economic progress according to the alternative hypothesis.



Table 2: Paired Sample t-test for Economic Development Indicators Before and After Enrollment in the PMSYM Scheme

Variable	Mean Before Enrollment	Mean After Enrollment	Mean Difference	t-value	Degrees of Freedom (df)	p-value
Monthly Income (₹)	7,500	8,100	600	3.45	149	0.001
Monthly Savings (₹)	800	1,050	250	4.12	149	0.000
Financial Security Perception (Score)	3.6	3.9	0.3	2.89	149	0.005

Analysis of Hypothesis Testing

The paired sample t-test results verify that the economic development of enrolled workers in Nagpur district successfully benefited through Pradhan Mantri Shram Yogi Maandhan Yojana. The analysis showed statistical significance for all three variables of monthly income, monthly savings, and financial security perception because their p-values rested below 0.05. The EPF enabled participants to earn ₹600 more each month while saving ₹250 per month for financial gains. Workers experienced better financial security after joining the scheme because their perception improved by 0.3 points on a scale of 5 points. Both the null hypothesis (H_0) was successfully rejected because p-values remained below 0.05 and we accepted the alternative hypothesis (H_1) regarding significant economic development of enrolled workers. The research strengthens the evidence that the scheme improves both financial stability and economic circumstances for unorganized sector workers in Nagpur district.

Discussion

Research results show that the Pradhan Mantri Shram Yogi Maandhan Yojana brought important economic advantages to the workers who registered in Nagpur district. The findings from the paired sample t-test show remarkable improvements in the financial situation of the enrolled workers who participated in the scheme. The financial benefits of the scheme become evident through increased monthly wage and savings by ₹600 and ₹250 respectively because it provides pension and social security benefits for unorganized sector workers.

The positive shift in workers' financial security perception, with an average improvement of 0.3 points on a 5-point scale, underscores the psychological and emotional impact of financial stability. The workers who were uncertain about their financial situation now have a greater feeling of stability which leads them to plan more effectively for both themselves and their families. The program works toward its main goal by offering social protection and money security services to staff members who usually lack benefits in formal employment.

The statistical data demonstrates the program's effectiveness but worker difficulties continue to block their access to the scheme. Workers showed limited comprehension during the registration process and required documentation because the enrollment system needs better outreach programs and simplified documentation simplification. Such accessibility matters greatly to workers serving in rural areas and semi-urban regions because they inherit limited access to digital information platforms.

The examination discovered that many participants experienced positive effects from the program however specific workers recorded only small income and savings developments which shows there may be unexploited sections of the scheme's ability to help workers. Irregular and delayed payments to the scheme could affect workers depending on regular financial support as a possible explanation for this situation.

Previous research validates the role of government schemes in maintaining economic security



for informal workers because the present findings confirm these findings. Social security programs known as Pradhan Mantri Shram Yogi Maandhan Yojana effectively decrease unorganized sector worker income inequality while enhancing their daily life conditions according to multiple research studies. The study adds to existing knowledge about social protection programs by dedicating research to Nagpur district while verifying the effectiveness of the scheme in this particular region.

The population of workers in Nagpur district demonstrates positive economic growth because of the Pradhan Mantri Shram Yogi Maandhan Yojana. The scheme needs additional work to resolve its accessibility problems while extending its advantages to all workers in the unorganized sector.

Overall Conclusion

The research properly analyzed how the Pradhan Mantri Shram Yogi Maandhan Yojana affects financial development among unscheduled workers operating within Nagpur district. The study demonstrates the economic improvement of Yojana scheme participants since their monthly earnings and savings increased together with their sense of financial security. Program participants have shown improvement because the initiative provides enhanced financial security to employees who lacked access to formal social security programs.

Statistical analysis from paired sample t-tests showed enough evidence to disprove the null hypothesis and verify that the program enhances worker economic growth. The findings show that most workers gained from the scheme but difficulties persist regarding accessibility and complete use of the program especially in rural and semi-urban territories where enrollment procedures need to become more straightforward.

The investigation brings new insights into the function of government welfare programs concerning the socio-economic development of unorganized workers. Enhanced approaches to boost outreach as well as awareness and accessibility of these programs should be implemented to guarantee qualified workers can receive benefits. The Pradhan Mantri Shram Yogi Maandhan Yojana represents a successful mechanism to support unorganized workers because the research shows this policy could enhance economic protection and financial inclusion of India's vast unorganized workforce particularly in Nagpur district.

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